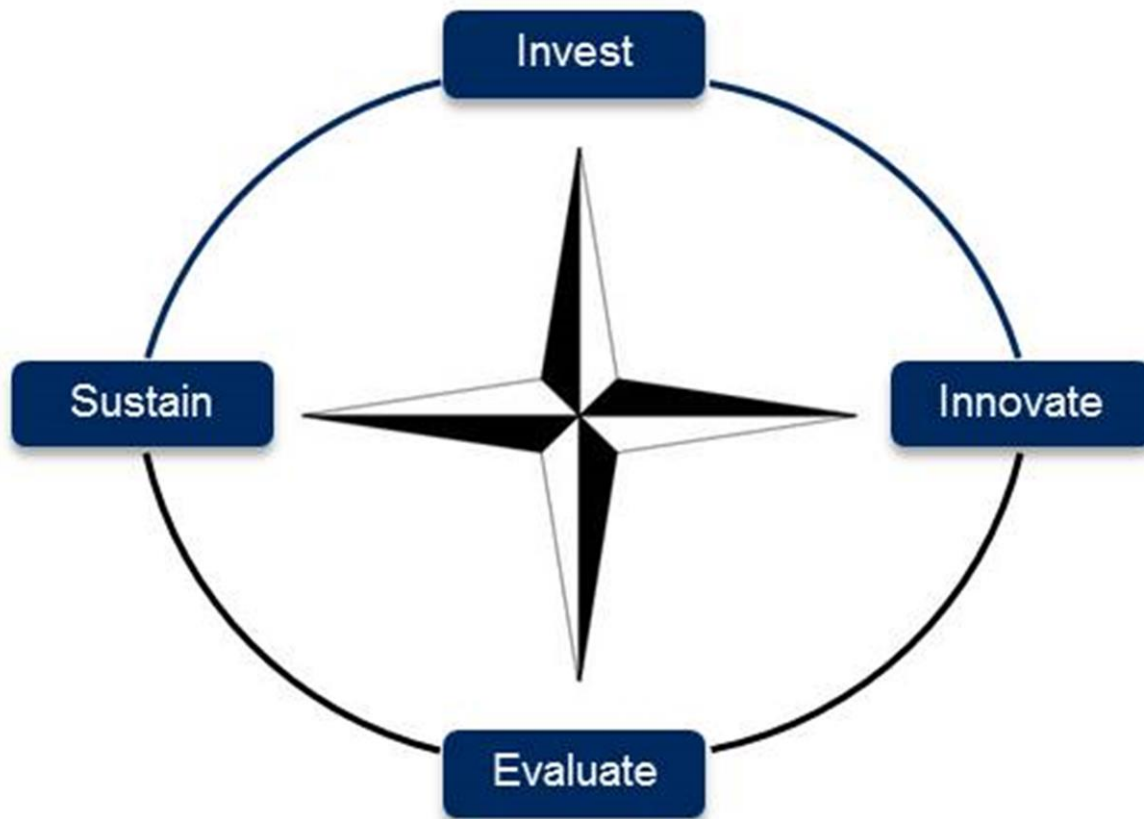


# COMMONWEALTH OF MASSACHUSETTS HEALTH POLICY COMMISSION

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## COMMUNITY HOSPITAL ACCELERATION, REVITALIZATION, & TRANSFORMATION INVESTMENTS

*CHARTING A COURSE FOR THE RIGHT CARE AT  
THE RIGHT TIME IN THE RIGHT PLACE*



Funding Opportunity: CHART Phase 2: *Driving System Transformation*  
Funding Opportunity Number: HPC-CHART-002  
Authority: Issued Pursuant to M.G.L. c. 29, §2GGGG and 958 CMR 5.00  
Issue Date: June 17, 2014



## OVERVIEW INFORMATION

**Issuing Agency:** Massachusetts Health Policy Commission

**Funding Opportunity Title:** Community Hospital Acceleration, Revitalization, and Transformation Investment Program - Phase 2: *Driving System Transformation*

**Announcement Draft:** Version 1

**Funding Opportunity Number:** HPC-CHART-002

**Authority:** Massachusetts General Laws Chapter 29, Section 2GGGG and 958 CMR 5.00

## KEY DATES

**Date of Issue:** June 17, 2014

**Eligible Applicants Information Sessions:** June-August 2014

**Prospectus Due Date:** July 18, 2014, by 3:00 p.m. Eastern Daylight Time

**Proposal Due Date:** September 12, 2014, by 3:00 p.m. Eastern Daylight Time

**Anticipated Awardee Announcements:** October 2014

**Anticipated Contract Execution:** November 1, 2014

**Anticipated Period of Performance:** November 1, 2014 to January 31, 2017

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## **Listing of External Attachments**

### **Attachment A: Supporting Documents**

- Exhibit 1: CHART Investment Program Overview Presentation
- Exhibit 2: Driver Diagram Guide
- Exhibit 3: Submission Checklist
- Exhibit 4: New York Delivery System Reform Incentive Payment (DSRIP) Program Project Toolkit

### **Attachment B: Mandatory Submission Templates**

- Exhibit 1: Prospectus Template
- Exhibit 2: Impact Estimate Template
- Exhibit 3: Budget Proposal Template

### **Attachment C: Mandatory Contracting Forms and Certifications**

- Exhibit 1: Commonwealth Terms and Conditions
- Exhibit 2: Commonwealth of Massachusetts Standard Contract Form and Instructions
- Exhibit 3: Request for Taxation Identification Number and Certification (W-9)
- Exhibit 4: Contractor Authorized Signatory Listing
- Exhibit 5: Authorization for Electronic Funds Transfer
- Exhibit 6: Certification Regarding Debarment and Suspension

## Section I: Funding Opportunity Description

### A. Purpose

The Massachusetts Health Policy Commission (HPC) is issuing this Request for Proposals (RFP) to solicit responses from certain eligible community hospitals (Qualified Acute Hospitals or CHART Hospitals) for CHART Phase 2 Investments. Massachusetts community hospitals are diverse with respect to size, geographic location, population need, financial health, system affiliation, resource needs, scope of services offered, and the health needs of the communities they serve. They are also varied with respect to previous experience in receiving investment funds for the purposes of pursuing improvement Initiatives. Recognizing this, the HPC established a phased approach to the CHART Investment Program. CHART Phase 1 Investments were awarded in January 2014 pursuant to HPC-CHART-001, and were intended to provide initial support for short term, high-need expenditures in CHART Hospitals.

The second phase of CHART (Phase 2) is intended to accelerate the transformation of CHART Hospitals through focus on a set of outcome-oriented Primary Aims intended to drive better alignment of community hospital services and capabilities with the health and health care needs of the communities the hospitals serve. The HPC is seeking innovative, impactful Proposals that promote substantial transformation of CHART Hospitals. To maximize the potential for large-scale change, the HPC encourages Joint Hospital Proposals in which multiple eligible hospitals partner to achieve the same Primary Aims through execution of an aligned set of Initiatives. In addition, the HPC strongly encourages community engagement, including the development of cross-setting Community Partnerships with a broad array of health and human services agencies.

During CHART Phase 2, successful Applicants will achieve one or more of the following Primary Aims:

- 1) Maximize Appropriate Hospital Use
- 2) Enhance Behavioral Health Care
- 3) Improve Hospital-wide (or System-wide) Processes to Reduce Waste and Improve Quality and Safety.<sup>1</sup>

These Aims are designed to maximize the impact of the CHART Phase 2 Investments across the Commonwealth, and align the focus of CHART Hospitals on incentivizing transformation towards readiness for effective participation in accountable care models. As communities have varied needs, the HPC allows flexibility in implementation approach to meet these Aims.

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<sup>1</sup> All Proposals should further support one or more of the following CHART Investment Program goals as described in [958 CMR 5.03](#): 1) To improve and enhance the ability of community hospitals to serve populations effectively, including but not limited to enhancing care coordination, advancing integration of behavioral and physical health services, promoting evidence-based care practices and efficient care delivery, and providing culturally and linguistically appropriate services; 2) To advance the adoption of health information technology, including interoperable Electronic Health Records systems and clinical support tools; 3) To accelerate the ability to electronically exchange information with other providers to ensure continuity of care and enhanced coordination across the continuum of providers and organizations in the community served by the Applicant; 4) To support infrastructure investments necessary for the transition to alternative payment methodologies, including investments in data analysis functions and performance management programs, systems to promote provider price transparency, tools necessary to aggregate and analyze clinical data on a population level to facilitate appropriate implementation of evidence-based initiatives and care management practices, especially for vulnerable populations and those with complex health care needs; 5) To aid in the development of care practices and other operational standards necessary for certification as an Accountable Care Organization or Patient Centered Medical Home under [M.G.L. c. 6D §14 and 15](#); 6) To improve the affordability and quality of care, including but not limited to increasing access to Behavioral Health services, and coordination between hospitals and community-based providers and organizations; and 7) To plan or develop Investment Proposals supporting one or more of these goals.

In addition to meeting one or more of these Aims, CHART Phase 2 Awardees will be required to join and use the Mass HIway, utilize Enabling Technologies and tools to achieve their Aims, engage in community-oriented Strategic Planning, and participate in HPC-led activities, including technical assistance, performance measurement, and opportunities for shared learning (see **Section I.E.2-4**). Standardized metrics and a uniform monitoring framework will be utilized for all Awardees to ensure accountability. In addition, Phase 2 carries forward the HPC's Phase 1 investments in community hospital leadership, management, and culture.

The HPC is making a total of up to \$60 million available for Awards through this RFP out of the \$119.08 million in total funding available through the CHART Investment Program. For information about CHART Hospitals, see **Section III.B** and additional objectives and restrictions under **Section II**.

## B. Background

The HPC was established in 2012 through the Commonwealth's landmark health care cost containment law, [Chapter 224](#): "An Act Improving the Quality of Health Care and Reducing Costs through Increased Transparency, Efficiency and Innovation." The HPC is an independent state agency responsible for reducing overall cost growth, improving access to high quality, accountable care and reforming the way health care is delivered and paid for in Massachusetts.

The Governor, Attorney General and State Auditor have appointed an [11-member Governing Board](#) of Commissioners composed of public and private sector leaders with diverse backgrounds and areas of expertise to govern the HPC. The HPC's Executive Director and Staff are responsible for the day-to-day operations of the agency.

The HPC is charged with facilitating lower costs and better, more efficient and innovative care by: 1) monitoring health care cost growth in the Commonwealth and drivers thereof, 2) evaluating the impacts of substantial changes to the Massachusetts health care market on cost, quality, market function, and access, 3) evaluating and fostering model payment system reforms, 4) engaging in patient protection activities, and 5) driving care delivery reforms through two health care investment programs and the development of voluntary model certification programs for Patient-Centered Medical Homes and Accountable Care Organizations.

The HPC's Community Hospital Acceleration, Revitalization, and Transformation (CHART) Investment Program was established to further the Commonwealth's goals of improving the health of its residents, improving access and quality of care, including patient experience, and reducing health care cost growth. CHART seeks to improve community hospital care in the Commonwealth through a competitive grant process that provides incentives and structure necessary to foster system transformation.

In order to promote alignment across other state and federal programs, all CHART expenditures must ultimately support the state's efforts to meet the health care cost growth benchmark established in [M.G.L. c. 6D, § 9](#), and funds are to be spent in ways that are consistent with any Chapter 224 investments from the Massachusetts eHealth Institute, the Healthcare Payment Reform Fund, the Prevention and Wellness Trust Fund, and other delivery system transformation Initiatives authorized by the Commonwealth or federal government.

## C. Authority

[Section 2GGGG of Chapter 29](#) of the Massachusetts General Laws authorizes the HPC to administer the Distressed Hospital Trust Fund (Trust Fund). Pursuant to its regulation, [958 CMR 5.00](#), the HPC developed the CHART Investment Program to carry out the mandate of the Trust Fund in support of

certain community hospitals in the Commonwealth of Massachusetts. On May 22, 2014, the Board voted unanimously to authorize the Executive Director to issue this Request for Proposals (RFP), HPC-CHART-002.

## D. Definitions

The following terms appearing capitalized throughout this RFP and its Attachments have the following meanings, unless the context clearly indicates otherwise.

**Accountable Care Organization or ACO:** A provider organization that receives reimbursements or compensation from Alternative Payment Methodologies and provides or manages medically necessary services across the care continuum including behavioral and physical health services for a population of patients, with the aim of providing efficient, effective, and coordinated care.

**Acute Hospital:** The teaching hospital of the University of Massachusetts Medical School and any hospital licensed under M.G.L. c. 111 § 51 and which contains a majority of medical-surgical, pediatric, obstetric and maternity beds, as defined by the Department of Public Health.

**Aim Statement:** The central goal of an improvement initiative used to develop a Driver Diagram (see below). Aim Statements submitted in response to this RFP must describe in a single sentence the overarching Aim Statement of the Initiative(s) including “what (the measureable Aim), by when, how much, and for whom (which population).”

**Alternative Payment Methodologies or APMs:** Methods of payment that are not solely based on Fee-for-Service reimbursement, including shared savings arrangements, bundled payments, and global payments.

**Alternative Payment Contract:** Any contract between a provider or provider organization and a health care payer which utilizes Alternative Payment Methodologies.

**Applicant:** A Qualified Acute Hospital submitting a Proposal for CHART Investment Program funding in response to an HPC-issued RFP.

**Attachment:** Any document or exhibit referenced as Attached to this RFP.

**Award:** Any Funds, Grant or Investment awarded pursuant to this RFP.

**Awardee:** Any Applicant that submits a response to this RFP, is awarded Funds, and enters into a Contract with the HPC as a result of this RFP.

**Behavioral Health:** Health care services related to mental illness, emotional disorders and substance use disorders, and the application of behavioral health principles to address lifestyle and health risk issues.

**Board:** The governing Board of the Health Policy Commission, established in M.G.L. c. 6D, §2(b).

**Care Coordination and Care Transitions:** A set of services focused on tracking and assisting patients as they move across care settings and on coordinating services with other service providers, including Behavioral Health, specialty care, inpatient care, human services, community supports and long-term care providers.

**Center or CHIA:** The Center for Health Information and Analysis.

**Chair:** The Chairperson of the Health Policy Commission.

**CHART Hospital or Qualified Acute Hospital:** An Acute Hospital eligible to receive an Award or Investment from the Fund or an acute inpatient campus (satellite) of an Acute Hospital as licensed by the Department of Public Health. A Qualified Acute Hospital shall not include (1) a hospital that is a Major Teaching Hospital; (2) a hospital with Relative Prices determined by the Commission to be above the Statewide Median Relative Price; or (3) a For-Profit Hospital or a hospital that is part of a For-Profit System. A list of Qualified Acute Hospitals for this RFP is provided in **Section IV.B**.

**CHART Investment Review Committee or Review Committee:** A group of Commissioners, Staff and consultants, and representatives of other Commonwealth agencies responsible for carrying out review of all Proposals and making recommendations to the Executive Director pursuant to 958 CMR 5.07.

**Commission or HPC:** The Health Policy Commission as established in M.G.L. c. 6D, §2(a).

**Commissioner:** A member of the governing board of the Health Policy Commission pursuant to M.G.L. c. 6D, § 2(b).

**Community Partnerships:** Relationships between CHART Hospitals and community providers and other human service agencies (clinical and non-clinical). Community Partnerships should facilitate close collaboration between a CHART Hospital and community providers caring for target population(s). Examples of potential Community Partners for Phase 2 include but are not limited to: community-based health care providers, Behavioral Health providers, post-acute care providers, aging services access points, correctional facilities, emergency medical services, schools, public health agencies, community mental health centers, or faith-based organizations. Community Partners do not include other hospitals and may not include entities that are corporately related to the Applicant.

**Contract:** The legally binding agreement, including any amendment(s), between HPC and an Awardee that results from this RFP.

**Driver Diagram:** A quality improvement tool used to represent the theory of change and activities that Applicants will use to accomplish identified Primary Aim(s) for the target population.

**Effective Date:** The date upon which the Contract is effective.

**Electronic Health Record, or EHR, Incentive Payment Program:** The Medicare and Medicaid Electronic Health Record Incentive Programs that provide incentive payments to eligible professionals, eligible hospitals, and critical access hospitals to adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology.

**Emergency Department or ED:** An Acute Hospital emergency room or satellite emergency facility.

**Enabling Technology:** Technology that alone or in combination with associated Initiatives provides the means to increase performance and capabilities of the user, product or process to achieve specific outcomes and Primary Aims.

**Executive Director:** The Executive Director of the Health Policy Commission.



**Fee-for-Service:** A payment mechanism in which all reimbursable health care activity is described and categorized into discrete and separate units of service and in which providers are separately reimbursed for each discrete service rendered to a patient.

**For-Profit Hospital or For-Profit Hospital System:** A hospital or hospital system that is not exempt from Federal income tax or is not incorporated under M.G.L. c. 180, § 3.

**Fund:** The Distressed Hospital Trust Fund established in M.G.L. c. 29, § 2G GGGG.

**Grant Program or Grant or Investment Program or Investment:** The program authorized under M.G.L. c. 29, § 2G GGGG.

**High-Cost Patient:** The five percent of patients with the highest level of spending in claims-based medical expenditures in a given year. Higher spending may be due to greater medical complexity, higher utilization, and/or use of higher-priced providers (provider mix)

**Hospital-Specific Proposal:** The Proposal of a single CHART Hospital pursuant to HPC-CHART-002 as distinguished from a Joint Hospital Proposal.

**Implementation Plan:** The detailed plan for execution of an Award developed by the Awardee during the Implementation Planning Period. Subject to approval by the HPC, the Implementation Plan is the primary basis for Award implementation, accountability and payment.

**Implementation Planning Period:** The 90-day planning period following Contract execution between the HPC and an Awardee during which an Implementation Plan is developed by the Awardee and submitted to the HPC for approval.

**Initiative(s):** The specific projects, activities, interventions, or approaches proposed or taken by a CHART Hospital in its Proposal or Award to achieve of one or more Primary Aim(s).

**Investment Director(s):** CHART Hospital Staff responsible for accountability and oversight of implementation of each Award. One clinical and one operational Investment Director must be identified for each Proposal. One individual may represent both functions.

**Joint Hospital Proposal or Joint Proposal:** The submission to HPC-CHART-002 of a joint proposal by two or more Qualified Acute Hospitals.

**Lean Management Principles or Operations:** “Lean” management principles -- most widely associated with the Toyota Production System -- seek to reduce Waste in production processes to increase value for the customer. Over the past decade, a number of organizations have translated the Lean Management Principles to the hospital setting.

**Legal Entity:** A legal entity that is recognized and authorized under applicable state and federal law, including corporations and partnerships.

**Major Teaching Hospital or Teaching Hospital:** An Acute Hospital that has at least 25 full-time equivalent interns or residents per 100 inpatient beds, as determined by the Center.

**Mass HIway -** The [Commonwealth’s Health Information Exchange](#), a technology platform to enable health care providers to securely exchange patients’ clinical information.

**Non-Profit:** An organization exempt from Federal income tax; and/or an organization incorporated under M.G.L. c. 180, §3.

**Patient-Centered Medical Home or PCMH:** A model of health care delivery designed to provide a patient with a single point of coordination for all of their health care, including their primary, specialty, post-acute, and chronic care, which is (i) patient centered; (ii) comprehensive, integrated, and continuous; and (iii) delivered and managed by a team of health care professionals to reduce fragmentation, and improve patient outcomes.

**Patient Registry:** An electronic system for tracking information that is critical to the management of the health of a panel of patients, including dates of delivered and needed services, laboratory values needed to track a chronic condition, and other measures of health status.

**Period of Performance:** The period of time during which activities are conducted pursuant to an Award and Contract executed pursuant to this RFP. The Period of Performance is inclusive of the Implementation Planning Period.

**Phase 1:** Activities funded through or described in the RFP HPC-CHART-001 as Phase 1 of the CHART Investment Program focused on *Foundational Activities to Prime System Transformation*.

**Phase 2:** Activities funded through or described in this RFP HPC-CHART-002 as Phase 2 of the CHART Investment Program focused on *Driving System Transformation*.

**Primary Aim(s) or Aim(s):** The outcome-oriented aims that must guide all Phase 2 Proposals and supporting Initiatives including: ‘Maximize Appropriate Hospital Use,’ ‘Enhance Behavioral Health Care,’ and ‘Improve Hospital-Wide Processes.’

**Proposal:** The document(s) submitted to the HPC by a CHART Hospital requesting Award of a CHART investment in response to HPC-CHART-002.

**Prospectus:** The required, preliminary, non-binding submission of intent required of all CHART Hospitals prior to submission of a Proposal in response to HPC-CHART-002.

**Relative Prices:** The contractually negotiated amounts paid to providers by each private and public carrier for health care services, including non-claims related payments and expressed in the aggregate relative to the payer’s network-wide average amount paid to providers, as calculated by the Center under M.G.L. c. 12C, §10 and regulations promulgated thereunder.

**Request for Proposals or RFP:** A Request for Proposals or RFP issued by the Commission pursuant to 958 CMR 5.04.

**Statewide Median Relative Price:** The benchmark established by the Center comparing relative price levels across payers’ networks for all Acute Hospitals. The Statewide Median Relative Price is used by the HPC to determine eligibility for the Fund and its calculation for this RFP includes data from all payers for which rates are negotiated, public and commercial, but excludes non-managed Medicare and Medicaid.

**Staff:** The employed or contracted staff of the Health Policy Commission.

**Strategic Planning:** Required planning activities by a CHART Hospital that proposes or is awarded Phase 2 funding in order to advance the Hospital’s ability to provide efficient, effective care and to meet community needs in an evolving health care environment.

**Triple Aim:** A framework developed by the Institute for Healthcare Improvement that includes (1) improving the patient experience of care (including quality and satisfaction), (2) improving the health of populations, and (3) reducing the per capita cost of health care.<sup>2</sup>

**Waste:** Spending in the provision of health services that could be eliminated without harming consumers or reducing the quality of care received by patients.

## E. Phase 2 Program Description

Building on the successes in Phase 1, the HPC seeks to use Phase 2 of the CHART Investment Program to fund multi-year, high-impact initiatives focused on *Driving System Transformation*.<sup>3</sup> A total of up to \$60 million will be made available to CHART Hospitals in Phase 2. Award amounts will vary based on the scope and projected impact of Proposals such as: total number of patients served, demonstrated need of the population served, and/or proportion of patients or units in a hospital impacted by efficiency or quality aims. Award amounts for Phase 2 may range up to \$6,000,000 for a CHART Hospital over approximately two years. The HPC intends to fund the strongest Proposals within the scope of available funds, and anticipates that CHART Phase 2 will be more competitive than CHART Phase 1.

Applicants must propose work in at least one of the three outcome-oriented Primary Aims detailed below, with specific Proposals describing plans for clinical and operational improvement. Proposals addressing any combination of one, two, or all three Primary Aims will be considered, as long as the proposed work is quantifiable and measurable.

Joint Hospital Proposals are strongly encouraged. Joint Proposals, in which two or more CHART Hospitals submit a single Proposal with a shared set of Aims and supporting Initiatives, are intended to facilitate effective collaboration among CHART Hospitals.<sup>4</sup> Joint Proposals may be an opportunity to maximize impact of large-scale, community-oriented Initiatives or achieve efficiency through coordinated service delivery or acquisition of tools and trainings.

Each CHART Hospital may submit up to two Proposals: one as the sole Applicant and one Joint Hospital Proposal with one or more other CHART Hospitals. If a hospital submits both an individual Hospital-Specific Proposal and a Joint Proposal, the two Proposals should *not* include the same Initiatives; the intent of a Joint Proposal is to facilitate collaborative approaches to transformation and improvement whereas the intent of a Hospital-Specific Proposal is to create a pathway for Hospital-Specific Initiatives. Each CHART hospital may receive Phase 2 Awards up to a total of \$6,000,000 across all Proposals submitted, whether it submits one or two Proposals.<sup>5</sup>

Community Partnerships are strongly encouraged for all Phase 2 Proposals. Substantial selection preference will be given to Applicants proposing collaboration with community-based organizations (e.g., community-based health care providers, Behavioral Health providers, skilled nursing facilities, home health agencies, aging services access points, correctional facilities, emergency medical services, schools, public health

<sup>2</sup> Berwick D, Nolan T, Whittington J. The Triple Aim: Care, Health and Cost. *Health Affairs* 27(3):759-769. 2008.

<sup>3</sup> As specified in **Section III.A**, CHART Hospitals that did not receive Phase 1 Funds may still be eligible for CHART Phase 2

<sup>4</sup> In limited circumstances in which community need is clearly defined and cannot be met by a CHART Hospital, an ineligible hospital may be included in a Proposal as a subcontractor (e.g., a tertiary care center as a partner in a telehealth project or a provider in close geographic proximity focused on serving a shared population Initiative). These proposed hospital partnerships will be considered on a case-by-case basis and are not considered Joint Hospital Proposals.

<sup>5</sup> Note, however, while a Joint Proposal and a Hospital-Specific Proposal may not be the same Initiative(s), this is not to preclude that the distinct activities can still relate to a similar Aim.

agencies, community mental health centers, faith-based organizations, and other human services agencies). Community Partnerships may be formal or informal, new or a strengthening of an existing partnership, and may or may not include funding of partners with CHART funds.<sup>6</sup>

Any proposed subcontracts included in a Proposal to provide CHART funds to a Community Partner must demonstrate specific and tangible benefit to the Applicant and the population it serves, and are subject to review and approval by the HPC.

CHART Hospitals owned by a system that contains at least one Major Teaching Hospital are required to demonstrate financial contribution to partially or fully match the HPC's CHART Phase 2 Investment. These contributions may be cash or in-kind, but must represent a new contribution to the CHART Hospital.<sup>7</sup>

All Proposals in Phase 2 should be focused on measureable, quantifiable impact, which may include direct health care cost reduction – e.g., total medical expenses and operating expenses – or social benefits or reduction in social costs – e.g., reduction in chronic homelessness or incarceration. Applicants may wish to review the recently released New York State Delivery System Reform Incentive Payment (DSRIP) Program Project Toolkit for examples of 44 specific projects across four broad domains of work to reduce avoidable hospital use and Enhance Behavioral Health Care (see **Attachment A, Exhibit 4**). Given the focus of Phase 2 on outcome-oriented Primary Aims, many funded Initiatives in Phase 1 may no longer be within scope (see **Attachment A, Exhibit 1** for additional details).

### *1) Aim Descriptions*

Phase 2 Proposals must support one or more of three Primary Aims:

#### ***Primary Aim 1: Maximize Appropriate Hospital Use***

The goal of Primary Aim 1 is to increase the appropriate use of CHART Hospitals through strategies that direct and retain appropriate volume at the CHART facility (e.g., reduction of outmigration to tertiary care facilities for care that can be provided in a quality way in a community hospital setting), reduce avoidable use of hospital services (e.g., population health management, Emergency Department (ED) use and readmission reduction etc.), and right-size hospital capacity.

For example, a hospital proposing work to maximize appropriate hospital utilization, might propose Initiatives to reduce avoidable ED utilization and avoidable admissions or readmissions, such as through hospital alignment with post-acute care providers or a focus on High-cost Patients. Also allowable in this category are Initiatives to reduce avoidable tertiary care transfers through innovative uses of telemedicine, or other clinical decision-making or clinical management support to keep care in communities without the need for transfer, as well as models that right-size hospital capacity (e.g., reconfiguration or closure of services such as the conversion of an acute care site to a satellite emergency facility).

<sup>6</sup> For the purposes of this RFP, "Community Partnerships" involve entities that are not corporately related to the Applicant. Community Partnerships should facilitate close collaboration between a CHART Hospital and community providers caring for the target population(s). Partnerships should be established early to allow for collaborative development of Proposals.

<sup>7</sup> Based upon system affiliations at the time of issuance of this RFP, Baystate Health, Beth Israel Deaconess Medical Center/Beth Israel Deaconess Care Organization, Lahey Health, and UMass Memorial Health are required to demonstrate system financial contribution in any Phase 2 Proposal. For any affiliation that occurs after the issuance of this RFP, including during the Period of Performance, the HPC may require system financial contribution.

Primary Aim 1 is not intended to invest in expansion of high-intensity medical-surgical service lines in community hospitals unless a specific population-based need or cost-reduction potential can be demonstrated.

***Primary Aim 2: Enhance Behavioral Health Care***

The goal of Primary Aim 2 is to improve care for patients with Behavioral Health needs (both mental health and substance use disorders) in communities served by CHART Hospitals, including both hospital and community-based initiatives. Initiatives seeking to meet Primary Aim 2 should address identified community needs.<sup>8</sup>

For example, hospitals proposing work to enhance Behavioral Health services may seek to implement strategies to reduce ED boarding such as developing effective triage mechanisms for early identification of Behavioral Health patients in an ED to facilitate efficient initiation of care. Additional examples include Initiatives to improve outpatient access to Behavioral Health, enhance hospital-community linkages to services, engage in comprehensive “whole person” care management services including integrating peers into Behavioral Health care teams, enhance care transitions or discharge planning, reduce ED admissions and readmissions for patients with primary and comorbid medical and Behavioral Health issues, enhance Behavioral Health capacity through telepsychiatry services, develop individualized care plans shared across providers in a region, seek to address the confluence of Behavioral Health conditions with chronic homelessness or incarceration, enhance services for vulnerable populations (including, e.g., pediatric and adolescent behavioral health patients, Dual-eligible patients, High-cost Patients, etc.), or ‘right-site’ care for geriatric-psychiatry patients.

These activities may include enhancement of Staff or operational capacities, or development of cross-continuum initiatives with pre-hospital (emergency medical services) and/or community-based providers and/or enhanced utilization of data for models such as hot-spotting, community paramedicine, group visits, integrated primary care models, Behavioral Health homes, community health workers, etc.

***Primary Aim 3: Improve Hospital-Wide (or System-wide) Processes to Reduce Waste and Improve Quality and Safety***

The goal of Primary Aim 3 is to reduce CHART Hospital costs and improve reliability through approaches that maximize efficiency as well as those that enhance quality, safety, and harm reduction.

For example, CHART Hospitals may propose to improve operational efficiency or reduce Waste (e.g., implementing specific Lean Operations efforts, cost accounting systems, group purchasing strategies, and other managerial and administrative approaches targeted at reducing the fixed costs of operating a hospital). Similarly, CHART Hospitals proposing work to improve hospital-based processes to enhance quality and safety may propose work aligned with the federal Health and Human Services (HHS) Partnership for Patients (e.g., reduce central line infections, urinary catheter use, medication errors, falls, etc...). In addition, CHART Hospitals may propose work focused on improving inpatient standard processes (e.g., activities within the [Choosing Wisely campaign](#)), as well as Initiatives to enhance communication across settings of care and to improve the safety of care transitions.

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<sup>8</sup> Any Proposals suggesting new Behavioral Health service delivery resources should be justified with any available data from the Massachusetts [Health Planning Council](#) demonstrating need.



Detailed examples of potential Initiatives in each Primary Aim may be found in **Attachment A, Exhibit 1 or Attachment A, Exhibit 4**. Many Initiatives will support more than one Primary Aim. For example, optimizing hospital flow to reduce delays, reduce length of stay, and maximize throughput time would fulfill both **Primary Aim 1** and **Primary Aim 3**. Such Proposals that meet multiple Aims to both enhance quality of patient care and reduce cost are particularly encouraged.

## ***2) Required Activities – Enabling Technologies***

The HPC seeks to maximize appropriate use of Enabling Technologies that enhance efficient, effective interconnected health care delivery. All Applicants must propose use of Enabling Technologies to augment their Initiative(s). At a minimum, Awardees will be required to connect to and appropriately use the Massachusetts Health Information Exchange (Mass HIway).<sup>9</sup> CHART Hospitals already connected to the Mass HIway must evidence further development of their use of Enabling Technology.

Each Awardee will be responsible for joining and transacting patient information on the Mass HIway. Milestones for this core activity will vary by hospital according to their baseline connectivity. During the Period of Performance, each Awardee will be responsible for achieving both Direct Messaging and Query & Retrieve services and advancing their use of the Mass HIway. Applicants may additionally propose to support community providers in joining the Mass HIway. Detailed milestones will be developed during the Implementation Planning Period based upon the baseline status of each Awardee. In the Proposal as specified in **Section 4.B** Applicants must address the following requirements:

- **Mass HIway Participation:** Each Applicant must state their commitment to beginning and/or maintaining participation in the Mass HIway. If the Applicant is not a Mass HIway participant at the time of Proposal submission, the CHART Hospital must submit a plan with its Proposal that details how it will enroll as a Mass HIway Participant by March 31, 2015.
- **Direct Messaging Use Case:** In their Proposal, each Applicant must propose at least one Mass HIway use case using Direct Messaging functionality. An Applicant may propose one or more use case(s) that support the Applicant's Phase 2 proposed Initiative(s) or may select a use case(s) from the list of Mass HIway Use Cases (see footnote 8).
- **Contribution of Encounter Data to the Relationship Listing Service:** Each Applicant must state their commitment to actively contribute encounter data to the Mass HIway Relationship Listing Service in a timeframe to be specified in the Implementation Plan. During the

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<sup>9</sup> The Mass HIway provides Direct Messaging and Query and Retrieve services. Direct Messaging offers the infrastructure to support provider-directed exchange, or "push", of health information from one provider to another. Direct Messaging supports basic information exchange between providers and healthcare delivery organizations, such as care summary records, referrals, discharge summaries and other clinical documents. Query and Retrieve expands on the push model of Direct Messaging and allows providers and organizations to locate, query and retrieve, or "pull", patient information through a secure medical record request. Included is the Relationship Listing Service (RLS) that, once populated, will allow Mass HIway Users to see if there are medical records at other organizations available for request based on patient consent. Medical records are not stored in a repository within Mass HIway; instead the RLS directs a provider to locations where a patient has received care and has consented that the Relationship be viewable to other Mass HIway Users. Once the patient's Relationships have been located, the clinical portal can be used to send a secure medical record request to the medical record holder. The medical record holder can respond by sending a clinical summary or other document securely over the Mass HIway. A list of Mass HIway use cases is available here: <http://masshiway.com/resources/hiwayusecases.jsp>. This link was live at the time of issuance of this RFP. The HPC takes no responsibility for the maintenance of external sources of information.

Implementation Planning Period, each Awardee will develop a process to implement the necessary consent requirements to contribute encounter data to the Relationship Listing Service.

Up to \$100,000 per CHART Hospital may be requested to support connection to and use of the Mass HIway.<sup>10</sup> The Mass HIway cap of \$100,000 does *not* apply to additional Enabling Technologies.

Applicants are encouraged to incorporate into Proposals additional Enabling Technologies and tools to improve care, track and monitor implementation of processes and protocols, analyze and produce trending data, and support root cause analyses to support achieving measurable outcomes in the Initiatives. The examples below provide a general description of existing enabling technology platforms that may be utilized to enhance Initiatives:

- **Care Coordination and Care Transitions**
  - Push notification hospital admit-discharge-transfer feeds to notify cross-setting care teams about changes in care setting for patients as they experience Care Transitions;
  - Multi-hospital/setting Patient Registries to identify shared patients with particular risk features or clinical needs (including, e.g., high utilizers, Behavioral Health patients);
  - Secure clinician to clinician handoff portals to capture and share transitional care information within or across care settings;
  - Care Coordination across settings and among providers and agencies through the use of mobile technology;
  - Reduction in readmissions through support of in-home formal and informal caregivers, providers, and supportive services; and
  - Increase patient contact with extended care teams after discharge to reduce readmission.
- **Point of Care Information Systems; Efficiency and Error Reduction**
  - Enhanced clinical triggers and flags, integrating key clinical information into Electronic Health Records or other digitized care management tools, and enhancing alerts relative to reducing patient harm/monitoring optimal care;
  - Graphical display of index scores for a patient's health over time, allowing for earlier warning of patient health changes; and
  - Single, cloud-based data source for practices, clinics and claims systems to access health information and better assess appropriate care delivery.
- **Patient Engagement**
  - Tools to increase patient engagement while patient is away from the healthcare setting (e.g., post-discharge follow up, medical record access, patient activation measures, etc.);
  - Patient-held reminders, prompts, and communication tools to facilitate ambulatory care and promote self-management through symptom management and vitals tracking;
  - Patient education and decision support tools for ease of contact with primary care physician; and
  - Prescription management tools (what drugs, dosage, timing, etc.).
- **Process Improvement and Performance Management**
  - Develop data infrastructure and capacity to utilize key data to drive performance improvement, (including e.g., tracking and improving performance indicators with

<sup>10</sup> Funds requested for Mass HIway connection and utilization count towards the \$6,000,000 per hospital cap.

new dashboards related to business operations, performance improvement, enhancing business intelligence and data analytics, or building patient- or provider-focused web interfaces).

Proposals do not need to identify a particular consultant/vendor to implement proposed Enabling Technologies, but should focus on the scope and functionality of contemplated Technologies and tools. During the Implementation Planning Period, Awardees must identify any consultants/vendors necessary to implement proposed Enabling Technologies. The HPC may develop a list of qualified consultants/vendors, or may approve use of consultants/vendors identified by CHART Hospitals.

### ***3) Required Activities – Strategic Planning***

Applicants must propose efforts to engage in Strategic Planning to advance their ability to provide efficient, effective care and to meet community needs in an evolving health care environment.<sup>11</sup> Phase 2 Strategic Planning will empower CHART Hospitals to engage in long-term planning initiatives to facilitate transformation of the hospital to meet evolving community needs. At a minimum, this requirement may be met by Strategic Planning to ensure sustainability of the funded CHART Phase 2 Initiative(s). This required activity may also facilitate Strategic Planning for bold and visionary objectives, including, for example, shifting (increasing, decreasing, or changing) hospital service availability to meet community needs, developing community-based approaches to care, or developing models and partnerships to support becoming an Accountable Care Organization and expanding capacity to enter into Alternative Payment Contracts or enhance performance under Alternative Payment Methods. Strategic Planning activities may further focus on the defining the activities, structures, and investments required to create an effectively integrated delivery system that is responsive to community needs for medical, behavioral health, long term care and social service supports.<sup>12</sup>

Strategic Planning carried out during CHART Phase 2 may serve as the basis for future phases of the CHART Investment Program. The HPC's anticipated Community Hospital Study may also support Strategic Planning efforts (**Attachment A, Exhibit 1**).

Strategic Planning activities must be conducted in the first year of the Period of Performance as specified in the Implementation Plan. Strategic Plans will be submitted to and subject to approval of the HPC. Up to \$250,000 per CHART Hospital may be requested to support Strategic Planning initiatives.<sup>13</sup>

Proposals do not need to identify a particular consultant/contractor, if needed, to support Awardee Strategic Planning but should focus on the scope of contemplated Strategic Planning activities. During the Implementation Planning Period, Awardees must identify any consultants necessary to support Awardee Strategic Planning. The HPC may develop a list of qualified consultants/ to support Awardee Strategic Planning Initiatives, or may approve use of consultants identified by CHART Hospitals.

### ***4) Required Activities – Learning, Improvement, and Diffusion***<sup>14</sup>

<sup>11</sup> The HPC may in its discretion waive the Strategic Planning requirement for a CHART Hospital that has recently completed a substantial Strategic Planning process.

<sup>12</sup> Applicants may find benefit in referring to **Attachment A, Exhibit 4**, Project 2.a.i for *examples* of specific components of such planning efforts.

<sup>13</sup> Funds requested for Strategic Planning count towards the \$6,000,000 per hospital cap.

<sup>14</sup> Applicants should not budget for completion of Learning, Diffusion, and Improvement activities.



Each Awardee will be required to complete a comprehensive series of improvement-focused training and collaborative activities in which participation of Board-level, executive, clinical, and operational leadership is required. Clinical leadership participation is also required, regardless of whether the medical Staff is employed by the CHART Hospital. During the Phase 2 Period of Performance, if required by the HPC, each Awardee must:

- 1) Participate in a continuation of the executive leadership program (e.g., attendance at a series of events organized by HPC focused on achieving rapid, effective performance improvements). HPC may specify required participation by representatives of the Board of Directors, Executive Officers, Clinical Leadership, and Operational Leadership. The leadership program is anticipated to provide:
  - a) Access to expert support and tools to enhance use of data from the management and leadership assessment as well as the culture survey to help drive improvement;
  - b) Opportunities for skill development related to change-management to support transformation in an era of rapidly evolving health reform; and
  - c) A forum for ongoing engagement as the HPC develops future CHART Phases.
- 2) Participate in periodic activities and meetings with HPC Staff, other Awardees, or content experts to provide updates, share lessons learned, develop skills, and receive feedback. This requirement may include onsite technical support, webinars, collaborative meetings, and other formats;
- 3) Work with the HPC to complete a survey on patient safety or improvement culture with sufficient response rates as specified by the HPC at or near the end of the Period of Performance;<sup>15</sup>
- 4) Participate in a key performance indicator benchmarking program facilitated by the HPC; and
- 5) Complete an HPC-provided leadership and management capability and capacity assessment tool with sufficient response rates as specified by the HPC at or near the end of the Period of Performance.

The HPC may, in its discretion, engage with and support Awardees throughout the implementation of the activities described above (**Section I.D.2**). HPC engagement may seek to optimize technical assistance activities to meet the needs of Awardees. Engagement may include working with Awardees to translate results from organizational culture, capability, and capacity assessment tools into improvement activities.

During the Implementation Planning Period, the HPC may identify or acquire tools or platforms that align well with the Initiatives of Awardees. The HPC will coordinate with Awardees to ensure use of coordinated and aligned tools, platforms, and approaches where possible (See **Attachment A, Exhibit 1**).

### ***5) Monitoring and Evaluation***

The HPC will evaluate the effectiveness of all funded Initiatives in accordance with the requirements set forth in M.G.L. c. 29, § 2G GGG and 958 CMR 5.00 et seq. Each Applicant must identify quantitative and qualitative metrics for ongoing monitoring of the impact of each Initiative within a Proposal on applicable elements of the Triple Aim and the CHART Investment Program goals

<sup>15</sup> Each Awardee will be responsible for implementing a culture survey as specified by the HPC in the latter portion of the Period of Performance – this will serve to provide a data driven examination of the impact of CHART Phases 1 and 2 and to support ongoing hospital improvement efforts. Awardees that did not participate in CHART Phase 1 may be required to complete a baseline assessment at the beginning of the Period of Performance.

(**Section IV.B.3-4., and Attachment A, Exhibit 3**). Awardees must monitor each metric and report to the HPC on a schedule established in the Implementation Plan. The HPC intends to evaluate each specific Award, as well as its contribution to the overall impact of CHART Phase 2, the CHART program in total, and Chapter 224 investments to assess the achievement of the CHART program goals and the Triple Aim. Evaluation will include assessing operational performance factors such as meeting target milestones and metrics; building and/or enhancing applicable institutional infrastructure, capability and capacity; and producing timely and accurate reports pursuant to Contract and Implementation Plan requirements.

Awardees are required to participate actively in evaluation activities necessary to achieve the HPC's aims. The HPC may at its discretion provide data collection instruments necessary to collect HPC mandated metrics, and provide technical assistance necessary for Awardee data collection.

#### ***6) Restrictions on Awards***

Awards may be used for personnel, devices, equipment, software, analytical tools or services, or contractor support (with restrictions as specified in **Section VII.B**) provided that such goods and services can be clearly tied to the Initiative(s), Primary Aim(s), and aligned with the overall goals of the CHART Investment Program (**Section I.B.1-7**). Capital investments (e.g., physical alterations or renovations) are not an allowed use of CHART funding unless explicitly authorized in writing by the HPC.

## **F. HPC Assistance to CHART Hospitals**

HPC will not provide individualized technical assistance for Phase 2 Proposal development.

HPC anticipates providing technical assistance to Awardees throughout the CHART Phase 2 funded program activities. HPC's technical assistance may include webinars, in-person trainings and seminars, and dissemination of materials. HPC may engage with Awardees on skill, capability, and capacity development related to leadership engagement and improvement methodology as described in **Section I.E.4**.

Applicants should propose budgets without assumption of technical assistance or other support from the HPC unless otherwise explicitly stated (**Section I.E.4 and Section I.E.3**). Proposals that require technical assistance or other support from the HPC will be considered non-responsive and may be disqualified or have elements eliminated from consideration.

## **Section II: Award Information**

### **A. Total Funding Available, Award Amount, and Total Number of Awards**

The HPC may Award up to \$60 million through this RFP with a maximum possible Award per CHART Hospital of \$6,000,000 (including Hospital-Specific and Joint Hospital Awards).<sup>16</sup> Awardees may be given an Award lower than the amount requested and may be asked to adjust the Proposal's Operational Response, Financial Response, or other Proposal elements. The HPC intends to fund the strongest Proposals within the scope of available funds. The HPC is not obligated to fund a minimum number of Proposals, or to distribute a minimum amount of funding for CHART Phase 2 Investments. The HPC

<sup>16</sup> As described in **Section I.E.3**, the Strategic Planning budget is capped at \$250,000. As described in **Section I.E.2**, the Mass HIway budget is capped at \$100,000.

anticipates that Award amounts will vary depending on factors such as community need, hospital financial status, and potential impact of the Proposal (**Section V.E**). The HPC anticipates that CHART Phase 2 will be more competitive than CHART Phase 1.<sup>17</sup>

Costs not specifically identified in a Proposal and accepted by HPC as part of a Contract and approved Implementation Plan will not be funded under any Contract awarded pursuant to this RFP. The HPC is not responsible for any costs or expenses incurred by Applicants in responding to this RFP.

## **B. Anticipated Award Date, Funding Disbursement, and Period of Performance**

The HPC anticipates making Awards in October 2014. Following approval of Award recommendations by the Board, it is anticipated that Contracts will be executed on or about November 1, 2014, with a Contract end date on or about June 30, 2017. The Period of Performance shall be for approximately 27 months (beginning at Contract execution on or about November 1, 2014, and ending on or about January 31, 2017). The HPC may in its discretion extend any Contract or Period of Performance, based on the HPC's determination of availability of funds, satisfactory Contract performance, and advancement of the public interest and the goals of the CHART Investment Program.

Subject to further review of the Proposals, the HPC anticipates that Award payments will be made in multiple installments, as follows:

- 1) **Initiation payment** – a flat \$100,000 initiation payment will be made upon Contract execution.
- 2) **Strategic Planning payments** – 50% of the Strategic Planning budget will be paid at the onset of planning activities, and 50% of the Strategic Planning budget will be paid upon the HPC's acceptance and approval of the Awardee's Strategic Plan deliverable.
- 3) **Milestone payments** – at least 50% of the Award balance will be allocated for quarterly milestone-based payments. The milestones will be negotiated by the HPC and the Awardee during the Implementation Planning Period and included in the HPC-approved Implementation Plan. Milestone payments will be contingent on meeting agreed upon implementation, reporting, and participation requirements and may be withheld or prorated by the HPC if the milestones are not achieved within the designated timeframe.
- 4) **Achievement payments** – the remainder of the Award will be allocated for twice-a-calendar-year achievement payments. The achievement metrics will be negotiated by the HPC and the Awardee during the Implementation Planning Period and included in the HPC-approved Implementation Plan. The level of risk (for example, the amount of total budget allocated to achievement payments and the targets for achievement metrics) will vary with the size and estimated impact of the Award. Achievement payments will reward progress towards and/or attainment of desired outcomes, as specified in the Implementation Plan. Achievement payments may reflect documented continuous process improvement, trending data and/or achievement of specific targets.

Upon Contract execution, a 90-day **Implementation Planning Period** will begin, during which each Awardee will develop a detailed Implementation Plan to guide CHART Phase 2 implementation. During the Implementation Planning Period, the HPC may in its discretion provide technical assistance to Awardees on topics such as project planning, metric development and selection, goal setting, staffing,

<sup>17</sup> For example, a stratification of Phase 2 Awards might be 3-6 hospitals with a \$1-2 million Award each, 4-6 hospitals with a \$3-4 million Award each, and 2-4 hospitals with a \$5+ million Award each.

analytics, and approaches to transformation. At the end of the Implementation Planning Period, each Awardee will submit to the HPC for review and approval a proposed Implementation Plan. The Implementation Plan will include, at a minimum, the following:

- Final detailed work plan;
- Final staffing plan;
- Final budget;
- Final metric selection and reporting plan; and
- Final milestone and achievement payment targets and installment schedule.

Approval of the Implementation Plan by the HPC will constitute sufficient progress for the first milestone payment, described above. See **Attachment D** for additional details.

### C. Joint Hospital Awards and Hospital-Specific Awards

A CHART Hospital may be awarded up to two Awards: one Joint Hospital Award and one Hospital-Specific Award. The total potential CHART Phase 2 Award for any one CHART Hospital is \$6,000,000; a CHART Hospital applying as a party to one Joint Hospital Award and one Hospital-Specific Award may apply for no more than total of \$6,000,000 between the two Proposals. Joint Hospital Awards may be greater than \$6,000,000 across multiple CHART Hospitals.<sup>18</sup>

### D. Termination or Amendment of Awards

The HPC reserves the right to reduce, terminate or recover payments, in whole or in part, in the event the Awardee fails to perform Contract requirements and provide deliverables substantially as specified in the Contract or Implementation Plan or if during the Contract term the Awardee is determined by the HPC in its sole discretion to be no longer eligible to receive CHART funds. Eligibility factors that may change during the Contract term include but are not limited to conversion to For-Profit status, merger with or acquisition by a Major Teaching Hospital-based health system, an increase in Relative Prices to above the Statewide Median Relative Price, becoming a Major Teaching Hospital, or a change in Massachusetts Department of Public Health licensure status. In the event that funds revert or that the HPC does not commit the full \$60 million available for Phase 2, subject to Board approval, the HPC reserves the right in its sole discretion to increase an Award by up to 20 percent of the initial Award, provided however that the total funding disbursed pursuant to this Phase 2 RFP shall not exceed \$60 million.

## Section III: Eligibility Information

### A. Eligibility Threshold Criteria

A Qualified Acute Hospital (CHART Hospital) for CHART Phase 2 is a Non-Profit, Non-Teaching, Acute Hospital with Relative Prices below the Statewide Median Relative Price. Eligibility has been determined effective the date of issuance of this RFP and does not confer eligibility for future CHART Investment Program funding opportunities. A list of Qualified Acute Hospitals as of the date of issuance of this RFP is provided in **Section IV.B**.

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<sup>18</sup> Awards for Joint Hospital Proposals may exceed \$6,000,000, with no more than \$6,000,000 available per hospital (e.g., a proposal of two CHART Hospitals is capped at \$12,000,000).

CHART Hospitals that are also designated in the MassHealth Medicaid Section 1115 Demonstration 11-W-0030/1 as eligible to participate in the Delivery System Transformation Initiative, or that have received funding through Executive Office of Health and Human Services Health Care Infrastructure and Capacity-Building Funding for Hospitals and Community Health Centers, and CHART Hospitals that are recipients of other state and federal funding sources (including, e.g., the Massachusetts Department of Public Health's Prevention and Wellness Trust Fund or funding from the Center for Medicare and Medicaid Innovation) are not precluded from applying for or receiving funding pursuant to this RFP.

Participation in Phase 1 is not required for receipt of funds in this or future CHART funding opportunities, and receipt of Phase 1 funding is not a guarantee of CHART Phase 2 funding or any future Awards.

## **B. Phase 2 Qualified Acute Hospitals (CHART Hospitals)<sup>19</sup>**

	QUALIFIED ACUTE HOSPITAL
1	Anna Jaques Hospital
2	Athol Memorial Hospital
3	Baystate Franklin Medical Center
4	Baystate Mary Lane Hospital
5	Beth Israel Deaconess Hospital – Milton
6	Beth Israel Deaconess Hospital – Needham
7	Beth Israel Deaconess Hospital – Plymouth
8	Emerson Hospital
9	Harrington Memorial Hospital
10	Hallmark Health – Lawrence Memorial Hospital
11	Hallmark Health – Melrose-Wakefield Hospital
12	Heywood Hospital
13	Holyoke Medical Center
14	Lahey Health – Addison Gilbert Hospital
15	Lahey Health – Beverly Hospital
16	Lawrence General Hospital
17	Lowell General Hospital (Circle Health)
18	Mercy Medical Center
19	Milford Regional Medical Center

<sup>19</sup> This eligibility list was calculated from calendar year 2011 and 2012 data provided by the Center for Health Information and Analysis on October 21, 2013 and is applicable only to funding opportunity HPC-CHART-002.

20	New England Baptist Hospital
21	Noble Hospital
22	Shriners Hospital – Boston
23	Signature Healthcare Brockton Hospital
24	Southcoast Hospitals Group – Charlton Memorial Hospital
25	Southcoast Hospitals Group – St. Luke’s Hospital
26	Southcoast Hospitals Group – Tobey Hospital
27	UMass Memorial – HealthAlliance Hospital
28	UMass Memorial – Marlborough Hospital
29	UMass Memorial – Wing Memorial Hospital and Medical Centers
30	Winchester Hospital

## Section IV: Prospectus and Proposal Response Requirements

All materials necessary to complete a response to this RFP will be made available via <http://www.mass.gov/hpc/chart>. Applicants must follow all submission instructions. Information placed incorrectly, or out of sequence, may be ignored or treated as missing. Omission of key information may lead to rejection of the Proposal as incomplete (**Section V.A**).

### A. Prospectus Instructions

*The Prospectus shall not exceed seven (7) pages.*

The Prospectus is a required, brief, non-binding summary document identifying the Applicant’s proposed Initiatives to advance one or more of the Primary Aims. The purpose of the Prospectus is to facilitate early, standardized, unilateral feedback on anticipated Initiatives from the HPC to the Applicant. A Prospectus is a required prerequisite to submission of a Phase 2 Proposal; the HPC will not accept a Proposal without a prior Prospectus submission.

A separate Prospectus is required as a prerequisite for each anticipated Hospital-Specific and Joint Hospital Proposal. Each Applicant may only be party to one Hospital-Specific Prospectus and one Joint Hospital Prospectus.

For the **Prospectus**, Applicants must submit **one (1)** electronic copy of all materials by electronic mail to:

Margaret D. Senese  
Program Manager for Strategic Investment  
Health Policy Commission  
[HPC-CHART@state.ma.us](mailto:HPC-CHART@state.ma.us)

Prospectus responses must be received by the HPC in full at the above email address **no later than 3:00 PM on July 18, 2014**, (**Section IV.A**).



The Prospectus must identify the Applicant's selected Primary Aim(s), and must include a description of anticipated Initiative(s), target population(s), anticipated Community Partnerships, and an estimate of the anticipated funding request. The HPC will provide standardized, unilateral feedback to the Applicant on the Prospectus. In its subsequent Proposal, an Applicant may alter Primary Aims or Initiatives from those described in the Prospectus based on the HPC's feedback or evolving development of planned Initiatives.

Applicants must submit one Prospectus for each anticipated Proposal. For example, if a CHART Hospital intends to submit a Joint Hospital Proposal and a Hospital-Specific Proposal, the Hospital would be party to two Prospectus submissions. A single joint Prospectus must be submitted by the participating CHART Hospitals for each anticipated Joint Hospital Proposal.

To maximize opportunity to develop collaborations, the Applicants may add additional CHART Hospitals not party to a Prospectus submission to the final Joint Hospital Proposal.

Each Prospectus should identify and describe *all* anticipated Initiatives meeting one or more Primary Aims. The Prospectus shall include the following elements:

- **Name of Applicant CHART Hospital(s):** List the name(s) of the submitting CHART Hospital(s). For a Joint Hospital Proposal, list all CHART Hospitals participating in the Proposal.
- **Investment Director(s):** *A clinical and an operational Investment Director must be identified.* For each Investment Director, provide name, organization, title, brief description of role and qualifications, and complete contact information, including administrative assistant contact, if applicable.
- **Executive Summary:** Briefly summarize the proposed Initiative(s).
- **Primary Aim(s) addressed:**
  - 1) Maximize Appropriate Hospital Utilization
  - 2) Enhance Behavioral Health Care
  - 3) Improve Hospital-Wide or System-Wide Processes to Reduce Waste and Improve Quality and Safety
- **Aim Statement:** Describe in a single sentence the overarching Aim Statement of the Initiative(s) including "what (the measureable Aim), by when, how much, and for whom (which population)."
- **Community, Safety or Hospital Efficiency need(s):** Briefly summarize identified needs to be addressed by proposed Initiative(s).
- **Target Population(s), Relevant Hospital Service Line(s), and/or Business Unit(s):** Estimate the number of patients, admissions, or encounters per year the Initiative(s) will impact. If multiple, distinct populations, service lines, or business units will be included in a comprehensive Initiative(s); Applicants may list these subgroups separately. This estimate is intended to generally capture scale of impact; precise numerical goals or targets are unnecessary.
- **Proposed Initiative(s):** Briefly describe the planned Initiative(s). Include a summary of the type, duration, and scope of the services to be provided or activities to be conducted during the Period of Performance. Briefly summarize the theory of change for the Initiative(s) and how the Initiative(s) will achieve the stated Primary Aim(s) and Triple Aim goals.

- **Key Quantifiable Outcomes and Process Metrics:** List the metrics that will be collected and analyzed to ensure continuous improvement.
- **Key Staff:** Identify the types of staff and/or consultants that will be required to implement the Initiative(s). Specific staff names do not need to be identified.
- **Community Partnerships:** Describe the types of organizations that are contemplated as part of any Community Partnerships, including how partnerships and specific organizations will be selected.
- **Subcontractor Hospitals:** If applicable, list names and describe anticipated roles of non-CHART hospitals in the Initiative(s).
- **Enabling Technologies:** Describe Enabling Technologies and tools required to accomplish the Primary Aims; list specific vendors and functionalities, if known.
- **Estimated Total Budget:** Estimate the CHART Award request and total budget of the proposed Initiative.
- **Budget Plan:** Describe the budget plan at a high level. What will investment funds be used for? Include elements such as staff, training, contracted resources, and Enabling Technologies.
- **Strategic Planning:** Describe the questions to be addressed by the Applicant in Strategic Planning.

## B. Proposal Instructions

### *1) General Proposal Response Instructions*

A separate Proposal is required for each Hospital-Specific and Joint Hospital Proposal. Each Applicant may be party to only one Hospital-Specific Proposal and one Joint Hospital Proposal. **For each Hospital-Specific Proposal, the Applicant must submit one (1) original paper copy of the Proposal, including an authorizing cover letter, Operational Response (including Driver Diagram(s) as described in **Attachment A, Exhibit 2**), Financial Response, and all signed Mandatory Forms and Certification documents.**

The Applicant must also supply **one (1)** electronic copy of all materials following the HPC's online submission instructions to be posted at [www.mass.gov/hpc/chart](http://www.mass.gov/hpc/chart). All hardcopy Proposals should be delivered to the address at the end of this section.

**For each Joint Hospital Proposal, the Applicant CHART Hospitals must jointly submit one (1) original paper copy of the joint Proposal, including a joint Operational Response (including Driver Diagram(s) as described in **Attachment A, Exhibit 2**) and a joint Financial Response. The Applicant CHART Hospitals may submit either a joint authorizing cover letter signed by each Applicant CHART Hospital, or separate authorizing cover letters submitted by each Applicant CHART Hospital.**

Each Applicant CHART Hospital must submit only one complete set of all signed Mandatory Forms and Certification documents in hardcopy. For Joint Hospital Proposals, an Applicant CHART Hospital that does not also submit a Hospital-Specific Proposal must submit a completed set of all signed Mandatory Forms and Certification documents in hardcopy.



In an effort to promote greater use of recycled and environmentally preferable products and to minimize Waste, all hardcopy Proposals should comply with the following guidelines:

- 1) All Proposals should be printed double-sided and single spaced in Times New Roman, with a minimum margin size of ¾ inch and a minimum font size of 11.
- 2) All hardcopy Proposals should be printed on recycled paper with a minimum post-consumer content of 30% or on tree-free paper (i.e., paper made from raw materials other than trees, such as kenaf).
- 3) Unless absolutely necessary, all Proposals should minimize or eliminate use of non-recyclable or non-reusable materials such as plastic report covers, plastic dividers, vinyl sleeves and GBC binding. Three-ringed binders, glued materials, paper clips and staples are acceptable.
- 4) Applicants should submit Proposals in a format that allows for easy removal and recycling of paper materials.
- 5) Applicants are encouraged to use other products that contain recycled content in their response documents. Products may include, but are not limited to, folders, binders, paper clips, diskettes, envelopes, boxes, etc. Where appropriate, Applicants should note which products in their responses are made with recycled materials.
- 6) Unnecessary samples, attachments or documents not specifically requested should not be submitted.

Each Proposal must include the following:

- 1) A cover letter signed by the President or Chief Executive Officer or Board Chair of the Applicant that includes **all** of the following information (failure to submit a cover letter including all components may result in disqualification from consideration for funding)<sup>20</sup>:
  - a) A statement that the Proposal is an application for Funding Opportunity HPC-CHART-002, Community Hospital Acceleration, Revitalization, and Transformation Investment Program Phase 2: *Driving System Transformation*;
  - b) The name and principal address of the Applicant organization;
  - c) A description of the Applicant's Legal Entity status (e.g., not-for-profit corporation, limited partnership, general partnership, etc.);
  - d) The name, address, e-mail, and telephone number of the Applicant's primary point of contact for this opportunity, which should be the Investment Director(s);
  - e) A statement that the Applicant's Proposal is effective through the date that the Applicant executes a Contract with HPC pursuant to this RFP;
  - f) The specific amount of funding requested;
  - g) Affirmation that if Awarded funding, the Applicant will complete all requisite activities described in **Section I.E.2**;
  - h) Affirmation that if Awarded funding, the Applicant will engage in the Implementation Planning Period and submit a proposed Implementation Plan to be approved by the HPC and incorporated into the Contract;
  - i) Affirmation that if Awarded funding the Applicant will begin programmatic activities on November 1, 2014 or on the date the Contract is executed, whichever is later;
  - j) A statement that all documents submitted by the Applicant are truthful and accurate; and
  - k) A statement that the Applicant has read the RFP and all Attachments and understands the terms and conditions pursuant to which CHART Investments may be Awarded.

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<sup>20</sup> For Joint Hospital Proposals, a separate Cover Letter must be provided by each participating CHART Hospital or each CHART Hospital must be sign a joint cover letter.

- 2) A **complete** Operational Response (including all Attachments) as described in **Section IV.B and in Attachment D**.
- 3) A Driver Diagram as described in the Operational Response (**Attachment D**) and **Attachment A, Exhibit 2**.
- 4) A **complete** Financial Response (including all Attachments) as described in **Section IV.B.3 and Attachment B, Exhibit 3**.
- 5) A **complete** set of the Mandatory Forms and Certifications, as described in **Section IV.B.6 and Attachment C, Exhibits 1-6**.

Complete electronic Proposals must be submitted following the HPC's online submission instructions to be posted at [www.mass.gov/hpc/chart](http://www.mass.gov/hpc/chart) and received by the HPC **no later than 3:00 PM on September 12, 2014, (Section IV.B)**. Complete hardcopy responses (see **Attachment A, Exhibit 3**) must be submitted and received **no later than 3:00 PM on September 18, 2014** addressed to:

Margaret D. Senese  
Program Manager for Strategic Investment  
Health Policy Commission  
2 Boylston Street, 6th floor  
Boston, MA 02116  
(617) 979-1400

The HPC strongly advises hardcopy submission by means that requires a signature upon receipt. The HPC will accept but discourages submission by USPS First Class Mail. Any response received after the deadlines above will not be considered for this opportunity unless an extension is approved in writing and in the sole discretion of the HPC.

## ***2) Operational Response Instructions***

*The Operational Response shall not exceed 20 pages unless otherwise specified in the HPC's online submission instructions.*

The Operational Response should clearly describe how the Proposal aligns with the goals of the CHART Investment Program, specified in [958 CMR 5.03](#) (and **Section IV.B.1** of this RFP). The Response should clearly reflect the vision for transformation of the Applicant within the framework of the Triple Aim, and the extent to which each proposed Initiative aligns with the Primary Aims identified in the Proposal.

Proposals should be innovative and data-driven, providing detail about how the proposed Initiative(s) will address specific need(s) of the Applicant's patient population and achieve measurable improvements in quality, safety, and/or efficiency while driving transformation of the CHART Hospital and its future ability to serve its community. The Operational Response should acknowledge relevant current or future challenges faced by the CHART Hospital, and should emphasize improvement opportunities that may be achieved with CHART Phase 2 funds.

Applicants are required to complete all elements of the Operational Response. The Operational Response must also include responses specified in Metric Selection and Reporting Requirements (**Section V.B.5** below).

The Operational Response should be formulated as an integrated narrative response, and must include the following elements:

- **Abstract:** The one-page Abstract (single-spaced) must identify the specific Initiative(s) and Primary Aim(s) being addressed. The Abstract also serves as a succinct description of the Proposal and should include the goals of the Proposal (Aim Statement); the total budget; the size and characteristics of the target population, the total number of partners by type; the projected total cost savings; and a description of how the funds will be used. The Abstract may be distributed to provide information to the public, so please write the abstract so that it is clear, accurate, concise, and without reference to other parts of the Proposal.
- **Aim Statement:** Describe the Aim Statement of the proposed Initiative(s) to meet the identified Primary Aim(s) in a clear, concise narrative, formulated as “what (the measureable Aim), by when, how much, and for whom (which population).”
- **Community Partnership(s):** Identify community based providers, human service agencies, and/or other community organizations that will be engaged in the proposed Initiative(s).
- **Community, Safety or Hospital Efficiency Need(s):** Describe the quantifiable need(s) in sufficient detail to justify the selection of Primary Aim(s). If proposing a process improvement Initiative, describe the organizational need.
- **Driver Diagram:** Provide a Driver Diagram to represent the theory of change and activities through which the Applicant will accomplish identified Primary Aim(s) for the target population. For completion of the Driver Diagram, please see informational guidance provided in **Attachment A, Exhibit 2**.
- **Enabling Technologies:** Please describe the Enabling Technologies that will support the successful and measurable implementation of proposed Initiative(s). Describe the functionality of the technologies and the identified need to be addressed through the use of the technologies. Applicants do not need to have identified a specific vendor, but should describe the functions that Enabling Technologies will provide to help achieve the Primary Aim(s). One or more Enabling Technologies may be required to implement proposed Initiatives. Where appropriate, Enabling Technologies should be easily integrated with existing systems at the hospital and readily usable across settings, across providers, and/or by patients and caregivers. At minimum, describe the Applicant’s anticipated use cases for the Mass HIway to be implemented following required connection (see **Section I.E.2**).<sup>21</sup>
- **Expected Impact of Initiative(s):** Describe in measurable, quantifiable terms the expected impact of proposed Initiative(s) on the target population. Describe the measures of impact. Use the Impact Estimate Template as the basis for this impact (see **Attachment B, Exhibit 2**).
- **Hospital Partnerships:** Describe proposed non-CHART eligible hospital partners, if applicable. Specify the role of the non-CHART eligible hospital in the Initiatives and why this role cannot be fulfilled by a CHART Hospital.

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<sup>21</sup> For Proposals that contemplate using Enabling Technologies for Behavioral Health Initiatives, additionally describe approaches to ensure compliance with 42 CFR Part 2.

- **Initiative(s):** The Proposal must describe the design of the planned Initiative(s). The description must describe the type, duration, and scope of the services to be provided or activities conducted during the Period of Performance. The description must describe the theory of action for the model and demonstrate specifically and concretely how the Initiative(s) will achieve the stated Primary Aim(s) and the goals of the Triple Aim. It should also address how the proposed Initiative(s) is evidence-based.<sup>22</sup> It should also explain how the Initiative(s) will impact the target populations and care improvement areas outlined. The Proposal should also identify the primary challenges to implementation of the model and explain how these anticipated risks will be mitigated. The Proposal should further describe the Applicant's plan for sustaining the Initiative(s) beyond the Period of Performance. Describe alignment of the proposed Initiative(s) with other Investments received by the Applicant (including, e.g., Infrastructure and Capacity Building Grants, the Delivery System Transformation Initiative, funding from the Center for Medicare and Medicaid Innovation, etc.).
- **Joint Hospital Proposals (if applicable):** For Joint Hospital Proposals, describe the anticipated partnership between CHART Hospitals. Specifically describe in quantifiable terms (including potential for financial efficiency and increased impact) the advantages of a Joint Hospital Proposal.
- **Organizational, Clinical and Operational Leadership:** Each Proposal must demonstrate board-level and executive support for the Initiative(s) proposed. Describe the role of the Chief Executive(s) in implementation of the Proposal and the extent and nature of Board involvement and support. Describe the clinical and operational leadership team (the Investment Director or Directors) for each of the Initiative(s) proposed. Investment Directors with both clinical and operational authority and responsibility must be identified. This may be one individual or a two-person model. For Joint Hospital Proposals, one Investment Director or two must be identified for the overall Proposal. The Director(s) must possess the relevant skills and expertise as well as the clinical and operational formal authority and informal influence to make and sustain the changes proposed.
- **Regulatory Barriers:** The HPC will consider Proposals that require a waiver of current regulatory requirements (e.g., community paramedicine, which may require a waiver by the Department of Public Health's Office of Emergency Medical Services). Each Proposal that requires a waiver of current regulatory requirements should specify which regulation(s) presents a barrier to implementation and whether a waiver has been previously pursued.
- **Staffing Model:** Describe the anticipated number and titles of Staff and contractors/consultants that will be dedicated to the Initiatives, whether CHART-funded or supported in-kind by the Applicant:
  - List the percentage of time each individual/position will be dedicated to the Initiatives.
  - Provide a brief description of roles/responsibilities of each position.
  - Describe relevant skills and leadership ability of proposed key staff members to successfully carry out the Initiative(s).
  - Provide a résumé for the proposed Investment Director(s).

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<sup>22</sup> For the purposes of the Proposal, evidence cited may include prior experience of the Applicant (including but not limited to CHART Phase 1), successful pilots or case studies in similar provider organizations, or published literature.

- **Strategic Planning:** Applicants must propose efforts to engage in Strategic Planning to advance their ability to provide efficient, effective care and to meet community needs in an evolving health care environment. For example, a proposal for Strategic Planning activities to ensure sustainability of an anticipated CHART Phase 2 Award will meet this standard. For this approach, describe the strategic challenges to the short-term and medium-term financial health of your organization that success in achieving the Primary Aim(s) of your Proposal present. For example, if you are successful in reducing readmissions, how will you sustain that revenue-negative ‘success’ in a Fee-for-Service environment?

Competitive Proposals will include Strategic Planning for bold and visionary objectives, including for example plans to shift (increase, decrease, or change) hospital service availability to meet community needs, developing community-based approaches to care, or developing models and partnerships to support accountability/bearing risk. For this approach, describe the strategic challenges presented by an evolving health care system increasingly focused on community-based care, integration of Behavioral Health and human services and supports with clinical care, use of Enabling Technologies in clinical care and longitudinal cross-setting care, and avoidance of preventable acute care utilization. Describe the questions and domains the Applicant will address in Strategic Planning, considering the future vision of transforming community hospitals to be more closely aligned with community need to provide the right care, in the right place, at the right time. For Joint Hospital Proposals, Strategic Planning descriptions should reflect these questions and domains for each CHART Hospital.

- **Target Population:** Describe qualitatively and quantitatively the target population for the Initiative(s). If proposing a process improvement Initiative, describe whether a specific patient population is impacted (such as the population impacted by better throughput, shorter wait times, etc.). When describing the target population(s) and the Initiative(s), quantify the size of the target patient population, the proportion of the Applicant’s overall patient population that the target population(s) comprises, the proportion of the target population(s) the proposed Initiative(s) anticipate reaching (eligible versus served).

### ***3) Financial Response Instructions***

Applicants must complete the Budget Template provided in **Attachment B, Exhibit 3**, indicating the funding requested for the Proposal using February 1, 2015 as a start date and January 31, 2017 as an end date for the Initiative(s). As specified **Attachment B, Exhibit 3**, a Budget Template must be completed for each Community Partner, CHART Hospital, or non-CHART eligible hospital for which funding is requested in a Proposal. All budgets should be included in a single Budget Template file with one tab completed for each entity. Note that the Budget Template provided in **Attachment B, Exhibit 3** contemplates up to five CHART Hospitals submitting a Joint Hospital Proposal. The HPC welcomes Joint Hospital Proposals from more than five CHART Hospitals in partnership; to receive a Budget Template for Proposals with more than five CHART Hospitals, email [HPC-CHART@state.ma.us](mailto:HPC-CHART@state.ma.us) with the number of Applicant hospitals and a custom Budget Template will be developed and sent.

Applicants must provide a budget narrative including a detailed cost breakdown for each line item outlined in **Attachment B, Exhibit 3**. The budget narrative must include descriptions, explanations, and justifications for the proposed funding request as detailed below. A single, integrated budget narrative should accompany each Proposal. The budget narrative should clearly reflect all elements of the Budget Template (as detailed below).

Expenses should be described in the following budget categories:

- 1) **Personnel salary:** List each employee working on the Initiative(s) by name, title, role, and salary cost for duration of the Initiative(s).
  - a) Award funding for Staff salaries are capped at \$181,500 per employee per year (excluding fringe). The HPC will consider written requests for exemption to this rule on a case-by-case basis. Salary exemption requests may be made in the budget narrative response.
  - b) The description of salary expense should include the number of full-time equivalents (FTEs), number of proposed individuals, cost per FTE, and whether the salary represents:
    - i. a new hire;
    - ii. a new hire made using CHART Phase 1 Investment Funds;
    - iii. a contractor transitioning to employee status; or
    - iv. an existing employee whose responsibilities will transition to the Proposal. For employees paid on an hourly rate, the hourly rate and specific number of hours per week for each employee should be included.
  - c) For the Investment Director(s), a minimum ten percent (10%) FTE commitment to the Award is required; list salary accordingly and specify whether this will be an in-kind contribution.
  - d) For current Staff who are committing more than ten percent (10%) FTE to the Initiative(s), describe how current work responsibilities are shifting.
- 2) **Fringe benefits:** These are limited to the following HPC-allowable fringe benefit costs identified for each employee for the duration of the Initiative(s):
  - a) Employer share of life insurance.
  - b) Employer share of health insurance.
  - c) Employer share of Social Security.
  - d) Employer share of pension.
  - e) Employer paid unemployment insurance.
  - f) Employer paid workers compensation insurance.
- 3) **Indirect costs:** Indirect costs should not exceed 15% of pre-fringe benefit personnel costs (including all employed and per diem Staff; excluding consultants). A detailed description of the basis for the indirect cost rate must be provided.
- 4) **Consultant or other subcontracted service costs:** List and describe each proposed subcontract (including Community Partnerships and non-CHART eligible hospitals) and the cost of that subcontract for the period of the Initiative.
- 5) **Equipment costs:** List and describe all equipment costs, where equipment is defined as a single item costing more than \$1,000 and having a useful life of more than one year.
- 6) **Training costs:** List any training costs associated with the Initiative(s). Describe the unit cost and projected number of attendees.
- 7) **Support costs:** List and describe any other related costs needed to support the Initiative(s).

Expenses should be separately listed for the following two categories:

- 1) **Enabling Technology costs:** Describe all costs of acquiring and implementing Enabling Technologies, including the Mass HIway.



- 2) **Strategic Planning costs:** Describe all costs of proposed Strategic Planning activities. ***Note:** for Strategic Planning, Applicants should assume a 12-month planning period for budget purposes.*

For each factor where in-kind Staff or funding commitments are provided by the Applicant (excluding *required* system contributions), provide a detailed description of such contributions.

If applicable, describe any internal contributions from affiliated institutions/systems required pursuant to **Section I.E**, including specific justification as to why additional contributions cannot be made.

Describe any cross-subsidization with similar or related public or private sector funding the Applicant currently receives or anticipates receiving during the Period of Performance.

Funding will not be provided for expenses marketing or advertising.

#### ***4) Impact Estimate Instructions***

The impact estimate is a critical element of each Proposal. Applicants must describe and estimate how the Initiative(s) will result in a net reduction in health care or social costs.

Applicants must develop Proposals so that expected outcomes and cost savings (or efficiency gains) can be quantified. The Impact Estimate Template (**Attachment B, Exhibit 2**) is a Microsoft Excel template to quantify the financial impact of proposed Initiative(s). The template prompts the Applicant to specify the target population, outcome measures (such as readmission rate, ED utilization, averted complications, efficiency gains), estimate the impact of the proposed Initiative(s) on the target population, and calculate the projected savings from averted costs.

The Impact Estimate Template serves two primary purposes in the CHART Phase 2 Proposal development and review process. First, the Impact Estimate Template should be used to guide the Proposal development process for CHART Phase 2 Applicants. Use of this template will support Applicants in performing sufficient data analysis to develop a focused Aim Statement: “what (the measureable Aim), by when, how much, and for whom (which population).” Second, the Impact Estimate Template will demonstrate the Applicant’s ability to design a targeted, outcomes-oriented Initiative that proposes to achieve improved care at reduced cost.

Detailed instructions on using the template follow. The Applicant should use a two-year projection (total duration of CHART Phase 2). Each row of the template specifies a data element that can be quantified from hospital or multi-provider data, or can be estimated. The template can accommodate several Initiatives (as indicated by the greyed rows labeled “Initiative 1” “Initiative 2”). The impact and savings for each Initiative are displayed and are then summed in the section entitled “Total Initiative Impact.” Input your two-year budget for each of the Initiatives in the section entitled “Cost of Initiative Implementation.” The template will calculate net savings (cost avoidance less the implementation cost excluding costs of Mass HIway implementation and Strategic Planning). Per-patient costs of implementing each Initiative should also be calculated in the template. This calculation provides the Applicant with an opportunity to reflect on the cost-efficiency and total value proposition of the proposed Initiative(s) prior to submission.

Applicants may modify the template to reflect calculations that may be better suited to the specific Initiative(s) of the Proposal. Applicants may account for non-medical costs savings, for example savings from reduced recidivism or incarceration, or expenditures in other public/social domains. In rare and unanticipated cases, Applicants may elect to not use the template if the proposed Initiative(s) cannot be quantified in terms of impact on population health and/or costs. If this is the case,

Applicants are required to provide a 1-2 page explanation of why their Proposal meets the criteria of the Primary Aims, but cannot be quantified using the Impact Estimate Template.

Applicants must provide a narrative of not more than five pages to describe every data source, estimate and assumption used to populate the Impact Estimate Template.

### ***5) Metric Selection and Reporting Requirements***

Each Applicant must identify specific, measurable (quantitative and qualitative) performance indicators (“metrics”) for ongoing monitoring of the impact of each Initiative within a Proposal on applicable elements of the Triple Aim and the CHART Investment Program goals, in addition to identifying operational metrics that allow for monitoring of the activities tied to the implementation of the Award (**Section IV.B and Section IV.B.4**). Awardees must monitor each metric and report to the HPC as established in the Implementation Plan. Metrics for Phase 2 will be proposed by Applicants and approved by the HPC as part of the Implementation Plan. Metric proposals should include the following, where applicable to proposed Initiative(s): (1) the objective measured by a given metric, (2) the specific metric (including a description of the population measured), (3) data collection processes/data sources, and (4) baseline data.<sup>23</sup> Metric proposals must include a description of the Applicant’s plans to collect and analyze data on an on-going basis. Final metric identification and selection will occur during the Implementation Planning Period. Awardees will monitor each metric and report to the HPC as established in the Implementation Plan. Data underlying these measures should be directly accessible by the Applicant, and able to be tracked and trended over time (e.g. weekly, monthly or quarterly).

Examples of potential measures include but are not limited to:

- Total number of patients in the target population;
- Total number of patients served per week, month, year by the Initiative(s);
- Baseline utilization (ED and/or hospitalizations and/or readmissions) of the target population;
- Historical utilization by patients in the target population; number and types of specific service(s) delivered to patients in the target group;
- All-cause unadjusted 30-day readmission rate of the target population and the group served by the Initiative(s);
- All-cause acute care utilization (composite of ED and hospital utilization) for the group served by the Initiative(s); and
- Total ED visits per patient in the target population the group served by the Initiative(s).

Metrics may also describe:

- Cost growth (metrics that track progress of health care cost growth reduction);
- Affordability/cost of care (financial access for consumers);
- Operational governance or structure;
- Patient access to care;
- Patient satisfaction and/or patient experience; and
- Staff satisfaction and/or staff experience.

HPC may also collect from Awardees a standard set of performance indicators for HPC CHART Investment Program evaluation activities. Metrics tracking completion of Phase 2 required activities

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<sup>23</sup> In the case of metrics for which no baseline exists, baseline data may be collected during the Implementation Planning Period or in early stages of Initiative implementation.



will be developed and monitored by the HPC, including measures for activities described in **Section I.B.1-5**.

#### *6) Mandatory Forms and Certifications*

Each Applicant must complete and submit one complete set of the Commonwealth-required forms 1-6 identified below and in **Attachment B** and incorporated by reference into the RFP. **Exhibits 1-6** are available at <http://www.mass.gov/hpc/chart>. Only one complete set is required when an Applicant is a party to both a Hospital-Specific and Joint Hospital Proposal.

- 1) Commonwealth Terms and Conditions.
- 2) Commonwealth of Massachusetts Standard Contract Form and Instructions. Applicants are responsible for reviewing and signing the Standard Contract Form, including the Instructions and hyperlinks, which identify certifications and Attachments that are incorporated into the Contract.
- 3) Request for Taxpayer Identification Number and Certification (W-9). If the Applicant has not previously filed this form with the Office of the Comptroller, or if the information on a previously filed form has changed, the Applicant must complete and sign the W-9 form and return it attached to the executed Commonwealth Terms and Conditions, with the completed RFP Proposal.
- 4) Contractor Authorized Signatory Listing.
- 5) Authorization for Electronic Funds Transfer Form (see **Section VIII.B.1** for more information).
- 6) Certification Regarding Debarment and Suspension.

## **Section V: Prospectus Review & Feedback, and Proposal Review, Selection & Award Process**

### **A. General Provisions**

This Request for Proposals for CHART Phase 2 funding (HPC-CHART-002) is issued pursuant to the provisions of 958 CMR 5.00, 815 CMR 2.00 and the Massachusetts Management Accounting and Reporting System (MMARS) Policy on State Grants and Federal Sub-Grants (Issued 7-1-2004, revised 11-1-2006) (Grants Policy). Many terms included in 958 CMR 5.00, 815 CMR 2.00 and the Grants Policy, as well as the definitions section of the Operational Services Department (OSD) state procurement regulations (815 CMR 21.02), are incorporated by reference into this RFP. Words used but not specifically defined in this RFP shall have the meanings included in 958 CMR 5.00, 815 CMR 2.00, 801 CMR 21.02, or the Grants Policy. Unless otherwise specified, all communications, responses, and documentation must be in English, using English customary weights and measures (feet, pounds, quarts, etc.) and U.S. dollars. All responses must be submitted in accordance with the terms specified in **Section VIII.B.3**.

Notice of eligibility will be provided via electronic mail from the HPC to Chief Executive Officers of CHART Hospitals. This RFP and updates will be posted on the HPC's CHART Investment Program website, <http://www.mass.gov/hpc/CHART> unless otherwise indicated on that website.

The HPC reserves the right to amend this RFP at any time prior to the date responses are due, or to suspend or terminate an Award in whole or in part at any time. Any RFP amendments will be posted on the CHART website and will be sent to Chief Executive Officers of CHART Hospitals by electronic mail. CHART Hospitals and Applicants are advised to check this site regularly, as this will be the primary

method used for notification of changes as well as posting of key information unless otherwise indicated on that website.

Awards made pursuant to this RFP shall be for a fixed amount, which amount shall be preliminarily determined and announced to the Awardee at the time of selection, and finalized upon Contract execution. HPC makes no guarantee that a Contract, or any obligation to provide funding to any given CHART Hospital, will result from this RFP. HPC also makes no guarantee that funds will be available to successful Applicants on this RFP.

## B. Contact of Qualified Acute Hospitals with Health Policy Commission

Selection of Awardees pursuant to this RFP is being conducted consistent with state bidding practices. Qualified Acute Hospitals (CHART Hospitals), or any agent(s) working on their behalf, are prohibited from communicating directly with any HPC Commissioners or Staff regarding this RFP except as specified in **Section VI.C** below. No other individual Commonwealth employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFP. Any unauthorized communication or contact may result in immediate ineligibility of a CHART Hospital at the sole discretion of the HPC.

Applicants must disclose to the HPC any interest that will conflict with the performance of services required under any Contract resulting from this RFP.

## C. Information Sessions and Questions

The HPC anticipates hosting multiple RFP Information Sessions to provide details about this funding opportunity and to answer questions from CHART Hospitals. Information sessions are scheduled as follows – all dates/times are subject to change. Any updates will be posted on the CHART resource page at <http://www.mass.gov/hpc/CHART>

**General Information Sessions:** *General information sessions will provide an overview of this RFP and will describe key topics of scope, deadlines, submission requirements, and details of the Prospectus and Proposal submission instructions.*

- June 25, 9:30-11:00AM – Massachusetts Hospital Association, Burlington, MA (additional webinar access will be available)
- July 10, 1:30-3:00PM – webinar only

**Topic-Specific Information Sessions:** *Topic-specific information session webinars will provide detailed discussion and/or education on topics pertinent to this RFP. Participation is at the discretion of each CHART Hospital. Additional information sessions may be added at the discretion of the HPC.*

- June 30, 2:00-3:00PM – General Principles and Approaches to Large Scale Improvement: How to Begin – *Cynosure Health*
- July 24, 2:00-3:00PM – Advancing Large Scale Improvement: What to do and when to do it – *Cynosure Health*
- July 31, 3:00-4:00PM – Mass HIway: Use Cases, Workflow Implications, Best Practices – *Massachusetts eHealth Institute*
- August 5, 1:00-2:00PM – How to Complete the CHART Phase 2 Budget and Impact Estimator

Templates – *Collaborative Healthcare Strategies*

- August 19, 12:00-1:00PM – Mass HIway: Technical Requirements and Implementation Approaches – *Executive Office of Health and Human Services Information Technology Group*
- August 20, 2:00-3:00PM – Supporting Large Scale Improvement: Measuring your progress – *Cynosure Health*

In addition, on July 7 or 8, 2014 (details of exact date and time will be disseminated via CHART website), the HPC will be hosting a day-long Learning Session on effective strategies for Care Coordination, Care Transitions, readmission reduction strategies, and care for High-cost Patients in collaboration with the Massachusetts Council of Community Hospitals.

Additional details about Information Sessions and webinar(s), including all summary materials from those Sessions and webinar(s), will be posted on the CHART resource page at <http://www.mass.gov/hpc/CHART>.

Applicants may make written inquiries concerning this RFP until no later than **September 8, 2014 at 3 p.m.**, as specified in the Timetable in **Section VI** of this RFP. Written inquiries must be sent to the RFP contact at [hpc-chart@state.ma.us](mailto:hpc-chart@state.ma.us). Acknowledgment of receipt may not be provided. HPC will review all questions and, at its discretion and on a rolling basis, prepare written responses to those it determines to be of general interest and relevant to the preparation of a response to the RFP. These responses will be posted on the HPC's program website (above). Hard-copy responses will be made available only upon request. HPC may respond individually to Applicants regarding *de minimis* questions on process without posting responses on the CHART website. A full record of responses will be made available upon specific request.

## D. Review and Selection Process

Responses to this RFP will be evaluated by a CHART Investment Review Committee (Review Committee) composed of individuals designated by the Executive Director and the Chair, pursuant to 958 CMR 5.07.

### 1) Prospectus Review and Feedback

The Prospectus is a brief, non-binding summary document identifying the Applicant's proposed Initiative(s) to advance one or more of the Primary Aims. The purpose of the Prospectus is to facilitate early, standardized feedback from the HPC to the Applicant. Feedback from the HPC will address the required elements in the Prospectus submission described in **Section IV.A** (e.g., whether proposed Community Partnerships are appropriate to the Proposal, how well the Proposal and proposed Initiative(s) align with identified Primary Aim(s) or meet identified community need(s)). The HPC will not provide definitive statements as to whether or not an Applicant should pursue particular Initiative(s). Feedback will be unilateral and there will be no opportunity for discussion or deliberation of HPC comments. The Prospectus will not be scored and the quality of a Prospectus will not be considered when reviewing and evaluating the final Proposal submission. The HPC will seek to provide Prospectus review and feedback within two weeks of submission, consistent with the timeline described in **Section VI**.

### 2) Proposal Technical Review

The Proposal Review will consist of three stages: Technical Review, Content Expert Review, and Selection Review. In the Technical Review, all responses will be initially evaluated by the HPC to determine compliance with the submission requirements in **Section IV**. Responses that meet those

requirements will then have their Operational (**Section IV.B**) and Financial (**Section IV.B.3**) responses reviewed and evaluated by the Review Committee against the criteria below.

The HPC reserves the right to reject an Applicant's response at any time during the evaluation process if the Applicant:

- a) Fails to demonstrate to HPC's satisfaction that it meets all RFP requirements.
- b) Fails to submit all required information or otherwise satisfy all response requirements in **Section IV**.
- c) Rejects or qualifies its agreement to any of the mandatory provisions of the RFP or the Commonwealth's Standard Contract or Terms and Conditions.

The Review Committee may determine that non-compliance with an RFP requirement is insubstantial. The Review Committee may seek clarification, allow the Applicant to make minor corrections, take the non-compliance into account in evaluating the response, or apply a combination of all three remedies. However, the HPC emphasizes that an incomplete response or a response that does not comply with submission requirements will be disadvantaged and possibly disqualified.

### ***3) Content Expert Review***

The HPC may engage subject matter experts to assess the feasibility, impact, and adherence to best-known practices. The review and comment of subject matter experts will be non-determinative, and will provide additional information for the consideration of the Review Committee in evaluation of each Proposal against the Criteria for Selection.

### ***4) Selection Review***

During the Selection Review, the Review Committee will review and evaluate each Proposal based on the Criteria for Selection (**Section V.E**) below.

### ***5) Clarifications***

The Review Committee may seek additional information from Applicants as necessary to complete review of the Proposal, including in the Review Committee's sole discretion, an oral presentation or interview. The HPC must receive all requested additional materials within five (5) business days of a request or the HPC may determine the Proposal is incomplete.

### ***6) Selection and Notification of Awardees***

Through the Executive Director, the Review Committee will recommend Applicants to the Board to receive Awards and the amounts to be Awarded, which may be an amount higher or lower than that requested by the Applicant. Recommendations for Awards shall be made based on the availability of funds, the degree to which an Applicant meets criteria described in this RFP, and the degree to which the Proposal meets the Applicant's need for funding.

The Executive Director may recommend Awards based on the Proposals that demonstrate the best value overall, including proposed alternatives to Proposals as submitted, which will achieve the Commonwealth's and HPC's goals for CHART Program Investments. During Contract negotiation, the HPC and an Awardee may negotiate a change in any element of the Awardee's Proposal that results in lower costs or higher impact.

The Board shall make the final Award decisions based on the recommendations of the Executive Director and criteria in HPC-CHART-002. The Board's decisions are final and not subject to further review or appeal. The HPC shall notify all Applicants of their selection or non-selection for an Award. All Awards are contingent upon finalization of Contract terms by the Applicant and the HPC, including approval of the HPC of an Implementation Plan as described in this RFP.

## **E. Criteria for Selection**

This section describes the evaluation criteria for review and selection of Awards for this RFP. The Proposal must be organized as detailed in **Section IV.B**. The Review Committee shall evaluate all Proposals that meet the minimum requirements listed in **Section IV**. In addition to the Proposal as submitted, the Review Committee may consider any relevant information about the Applicant known to HPC, including but not limited to HPC's prior experience working with the Applicant. Proposals will be scored based on a total of 100 points. The following criteria will be used to evaluate each Proposal:

### **1) *Impact of the Proposal (30 points)***

- a. *Measurable community/patient impact;*
- b. *Alignment of the Proposal with the Primary Aim(s)*
- c. *Extent of potential for supporting future transformation activities in the Commonwealth (innovation and scalability)*
- d. *Alignment and synergy with ongoing investments in the Commonwealth*
- e. *Applicant's Impact Estimate of the Proposal*

### **2) *Community need and engagement (25 points)***

- a. *Extent to which the Proposal meets an identified community/population need*
- b. *Relative community need (financial, socioeconomic, and health status)*
- c. *Presence and strength of Community Partnerships*

### **3) *Hospital financial status and operational capacity (25 points)***

- a. *Applicant's financial health and payer mix, access to resources, and level of system contribution, if applicable*
- b. *Hospital Phase 1 performance, if applicable*
- c. *Leadership and management (clinical and operational) engagement and capability*

### **4) *Budget Proposal (20 points)***

- a. *Cost efficiency of the proposed budget*
- b. *Appropriateness and sufficiency of the proposed budget*

c. *Potential for sustainability*

## Section VI: Timeline

All dates are estimated except due dates (in bold) for written inquiries and for receipt of Applicant Proposals.

	DESCRIPTION	DATE
1	RFP released	June 17, 2014
2	<b>Deadline for receipt of written questions on Prospectus requirements</b>	<b>July 14, 2014 by 3pm</b>
3	<b>Deadline for submission of Prospectus</b>	<b>July 18, 2014 by 3pm</b>
4	<b>Information Sessions</b>	<b>June – August, 2014</b> (see Section V.C)
5	HPC Prospectus feedback ( <i>anticipated</i> )	August 1, 2014
6	<b>Deadline for receipt of written questions on Proposal and RFP</b>	<b>September 8, 2014 by 3pm</b>
7	<b>Deadline for submission of Proposal</b>	<b>September 12, 2014 by 3pm</b>
8	Awardees selected ( <i>anticipated</i> )	October 2014
9	Projected Contract execution ( <i>anticipated</i> )	November 1, 2014
10	Implementation Planning Period ( <i>anticipated</i> )	November 1, 2014 – January 31, 2015
11	Operational Execution Period ( <i>anticipated</i> )	February 1, 2015 – January 31, 2017

## Section VII: Additional Terms and Details

### A. Responsibilities of Qualified Acute Hospitals

Applicants are solely responsible for obtaining all information distributed for this solicitation at <http://www.mass.gov/hpc/chart>. Any documents amended through the course of this RFP will be retained on this website in original form in addition to updates.

It is each Applicant's responsibility to regularly check the HPC website for:

- 1) Any addenda or modifications to this RFP, by monitoring the Notifications field.
- 2) Any records or documents related to Information Sessions or Webinars hosted relative to this funding opportunity.
- 3) The Commonwealth accepts no responsibility and will provide no accommodation to Applicants who submit a Proposal based on an out-of-date document or on information received from a source other than <http://www.mass.gov/hpc/chart> or from a written communication from a permissible contact as specified in **Section VI.C**.

### B. General Requirements



### ***1) Electronic Communication/Update of Applicant's/Awardee's Contact Information***

It is the responsibility of the Applicant/Awardee to keep current the email address of the contact person and prospective Investment Director(s), if Awarded a Contract, and to monitor that email inbox for communications from the HPC, including requests for clarification. The HPC and the Commonwealth assume no responsibility if an Applicant's/Awardee's designated email address is not current, or if technical problems, including those with the Applicant's/Awardee's computer, network or internet service provider (ISP) cause email communications sent to/from the Applicant/Awardee and the HPC to be lost or rejected by any means, including electronic mail or spam filtering. Where no other email address is provided to the HPC, communications will be sent by default to the Chief Executive Officer of an Applicant/Awardee.

### ***2) Electronic Funds Transfer (EFT)***

All Applicants responding to this RFP must agree to participate in the Commonwealth Electronic Funds Transfer (EFT) program for receiving payments. EFT is a benefit to both Awardees and the Commonwealth because it ensures fast, safe and reliable payment directly to contractors and saves both parties the cost of processing checks. Awardees are able to track and verify payments made electronically through the Comptroller's Vendor Web system. A link to the EFT application can be found on the [OSD Forms](http://www.mass.gov/osd) page ([www.mass.gov/osd](http://www.mass.gov/osd)). Additional information about EFT is available on the [VendorWeb](http://www.mass.gov/osc) site ([www.mass.gov/osc](http://www.mass.gov/osc)), and required forms are included as **Attachment B, Exhibit 5**.

Successful Applicants, upon notification of Contract Award, will be required to enroll in EFT as a Contract requirement by completing and submitting the *Authorization for Electronic Funds Payment Form* to the HPC for review, approval and forwarding to the Office of the Comptroller. If the Applicant is already enrolled in the program, it may so indicate in its Proposal. Because the *Authorization for Electronic Funds Payment Form* contains banking information, this form, and all information contained on this form, shall not be considered a public record and shall not be subject to public disclosure through a public records request. An Applicant who is currently registered with the Commonwealth to receive payment by EFT is not required to submit forms described herein.

### ***3) Identifiable Health Information***

Any activities conducted pursuant to this RFP that generate or use information or data involving the use or disclosure of protected health information are subject to the requirements of 45 CFR 160, 162, and 164 (the privacy provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)).

### ***4) Incorporation of RFP***

This RFP and any documents an Applicant submits in response to it are incorporated by reference into any Contract Awarded to that Applicant.

### ***5) Public Records***

All responses and related documents submitted in response to this RFP or that relate to any Contract Awarded as a result of this RFP are public records and are subject to the Massachusetts Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7(26). Any statements in submitted responses that are inconsistent with these statutes will be disregarded. HPC will not return to Applicants any Proposals or materials they submit in response to this RFP.



#### ***6) Restriction on the Use of the Commonwealth Seal***

Applicants and Awardees are not allowed to display the Commonwealth of Massachusetts Seal in their bid package or subsequent marketing materials if they are Awarded a Contract because use of the coat of arms and the Great Seal of the Commonwealth for advertising or commercial purposes is prohibited by law.

#### ***7) Restriction on the Use of the Health Policy Commission branding or CHART Logo***

Applicants are not allowed to display the Health Policy Commission branding or CHART logo in their bid package. Awardees are allowed to display the Health Policy Commission branding or CHART logo only as specified in any Contract with the HPC.

#### ***8) HPC Authority to Conduct Audits***

The HPC reserves the right to require an Awardee CHART Hospital to undergo an independent financial and operational audit to recommend steps to increase sustainability and efficiency of the Awardee's institution.

#### ***9) Participation in MassHealth***

To be considered for funding pursuant to this RFP, CHART Hospitals must, during the term of the Contract, participate in MassHealth under the applicable Request for Applications and Contract and accept as payment in full for hospital services to MassHealth members, all rates of payment set forth therein. Cessation of participation in MassHealth may constitute grounds for termination of an Award.

#### ***10) Requests for Reasonable Accommodation***

Applicants with disabilities or hardships that seek reasonable accommodation, which may include the receipt of RFP information in an alternative format, must submit a written statement to the RFP contact persons describing the Applicant's disability and the requested accommodation to the contact person for the RFP. HPC reserves the right to reject unreasonable requests. Applicants may also request a hardcopy of the RFP, pertinent Attachments, or any of its components, by contacting the permissible RFP Staff.

### **C. Key Contract Provisions**

All Applicants selected to receive an Award must execute a Contract with the HPC, as required by 815 CMR 2.05, to implement the terms of the Award and in order to receive payment.

The Executive Director shall develop and execute Contracts consistent with 958 CMR 5.08.

- 1) The Contract shall specify at a minimum the following, as well as all provisions specified in **Attachments B and C**:
  - a) Any financial, programmatic, technical or other reporting appropriate to monitor and evaluate the funded activities, including ongoing milestones and an evaluation process.
  - b) Any conditions or restrictions on the funding, including any monitoring of the Awardee's operations, including where appropriate, an independent financial and operational audit to recommend steps to increase sustainability and efficiency of the Awardee.

- c) Any additional means the HPC will use to hold the Awardee accountable for proper performance under the Contract.
  - d) Any requirements and deadlines for completing components of the Proposal.
  - e) Provisions for repayment of all or a portion of funds to the HPC if the HPC determines that the funds were not used consistent with the approved Proposal and Contract.
- 2) HPC shall have the option at its sole discretion to modify or terminate a Contract whenever, in the judgment of HPC, pursuant to a recommendation by the Executive Director, the goals of the Initiative have been modified or altered in a way that necessitates changes or the Awardee is determined by the HPC to be no longer qualified, the Awardee does not expend funds within a reasonable period of time, or the Awardee fails to meet reporting requirements or milestones established pursuant to the enclosed RFP. HPC will provide written notice of action to the Contractor, and the parties will negotiate the effect of changes in scope on the schedule and payment terms.
- 3) Awardees will be required to prepare and submit for HPC approval an Implementation Plan that may specify all, some or additional Contract implementation requirements as specified in **Section VII.C** above.
- 4) Awardees may be required to complete and submit a final report that summarizes how funding supplemented efforts toward meeting the objectives of the Initiative. Awardees may be required to respond to comments from HPC on the report, and submit a final version to HPC.

#### **Attachment A: Supporting Documents**

- Exhibit 1: CHART Investment Program Overview Presentation
- Exhibit 2: Driver Diagram Guide
- Exhibit 3: Submission Checklist
- Exhibit 4: New York Delivery System Reform Incentive Payment (DSRIP) Program Project Toolkit

#### **Attachment B: Mandatory Submission Templates**

- Exhibit 1: Prospectus Template
- Exhibit 2: Impact Estimate Template
- Exhibit 3: Budget Proposal Template

#### **Attachment C: Mandatory Contracting Forms and Certifications**

- Exhibit 1: Commonwealth Terms and Conditions
- Exhibit 2: Commonwealth of Massachusetts Standard Contract Form and Instructions
- Exhibit 3: Request for Taxation Identification Number and Certification (W-9)

- Exhibit 4: Contractor Authorized Signatory Listing
- Exhibit 5: Authorization for Electronic Funds Transfer
- Exhibit 6: Certification Regarding Debarment and Suspension

#### **Attachment D: Additional Contract Terms**

This Attachment includes additional Contract terms that HPC intends to include in any Contract resulting from the RFP.

#### **Elements of Contract; Integration**

The Contract between HPC and the Awardee consists of the following documents, listed in order of precedence:

- 1) The Commonwealth Terms and Conditions.
- 2) The Massachusetts Standard Contract Form.
- 3) The Awardee's Implementation Plan, and any subsequent amendments thereto, approved by the HPC.
- 4) Additional Contract terms negotiated between HPC and the Awardee, if any.
- 5) HPC's Request for Proposals for HPC Community Hospital Acceleration, Revitalization, and Transformation (CHART) Investment Program – Phase 2 (HPC-CHART-002) as most recently amended.
- 6) The Awardee's response to the RFP, exclusive of any terms that are inconsistent with, or purport to modify or supersede the Commonwealth Terms and Conditions, the Massachusetts Standard Contract Form or the terms of the RFP.

The documents listed above, including Attachments and exhibits, constitute the entire agreement of the parties with respect to the subject matter of the RFP, and supersede all prior written or verbal negotiations and statements. This document shall not be modified by any subsequent written or verbal communications other than in accordance with **Amendments**, below.

#### **Contract Term**

Contracts resulting from this RFP shall be from approximately November 1, 2014 to June 30, 2017, and may be extended at the sole discretion of HPC. Any Contract extensions are subject to HPC approval, availability of funds, and HPC's determination of satisfactory performance and advancement of the public interest and the goals of Chapter 224.

#### **Use and Disclosure of Data**

The Awardee and its employees and subcontractors shall comply with all state and federal laws, rules, regulations, and other requirements relating to confidentiality, privacy, and security of data including Protected Health Information.

#### **Publications Regarding or Derived From This Contract**

In the performance of this Contract, the Awardee may develop material suitable for publication under copyright as reports, manuals, pamphlets or other forms. To the extent material is deliverable to HPC in

the performance of this Contract, such material shall be deemed Work Product made for hire, and the Commonwealth shall exclusively own, worldwide and royalty-free, the copyright and any other intellectual property rights in such material, and the HPC will have the exclusive, unlimited and unrestricted right, worldwide and royalty-free, to publish, reproduce, distribute, transmit and publicly display any such material. Other material derived from the Awardee's performance of this Contract shall not be published or offered for publication through any medium of communication, including press release, without the prior approval of HPC.

### **HPC's Option to Terminate or Amend Contract**

The HPC reserves the right to reduce, terminate or recover payments, in whole or in part, in the event the Awardee fails to perform Contract requirements and provide deliverables substantially as specified in the Contract or Implementation Plan or if during the Contract term the Awardee is determined by the HPC to be no longer qualified to receive CHART funds. Eligibility factors that may change during the Contract term include, but are not limited to conversion to For-Profit status, merger with or acquisition by a Major Teaching Hospital-based health system, an increase in Relative Prices to above the Statewide Median Relative Price, becoming a Major Teaching Hospital, or a change in Massachusetts Department of Public Health licensure status. In the event that funds revert or that the HPC does not commit the full \$60 million available for Phase 2, subject to Board approval, the HPC reserves the right in its sole discretion to increase an Award by up to 20 percent of the initial Award, provided however that the total funding disbursed pursuant to this Phase 2 RFP shall not exceed \$60 million.

### **Additional Payment Provisions**

Awards shall be disbursed up to a fixed cap for each Contract period subject to the terms and conditions of this RFP and the Contract.

Payments for the Contract period will be made as specified in **Section II.B**. HPC reserves the right to reduce, terminate or recover payments, in whole or in part, in the event the Awardee fails to perform Contract requirements and provide deliverables substantially as specified in the Contract.

### **Notification of Administrative Change**

The Contractor shall notify HPC in writing no later than 30 days prior to any change affecting its organization, or its performance of its responsibilities under this Contract, but if a change in business structure is voluntary, the Awardee shall provide a minimum of three months' notice to HPC. (See also **Assignment**, below.)

### **No Third-Party Enforcement**

This Contract shall be enforceable only by the parties, or officers or agencies of the Commonwealth authorized to act on behalf of HPC or its successors. Nothing in this Contract shall be deemed to confer benefits or rights to any other parties.

### **Effect of Invalidity of Clauses**

If any clause or provision of this Contract is in conflict with any state or federal law or regulation, that clause or provision shall be null and void and any invalidity shall not affect the validity of the remainder of this Contract.

### **Equal Employment Opportunity**

All contracts entered into by the Awardee shall contain a provision requiring compliance with federal Executive Order 11246, as amended by Executive Order 11375, and as supplemented by regulations at 41 CFR Part 60.

### **Prohibited Activities and Conflict of Interest**

The Awardee represents that no person who is an owner, employee, consultant, or subcontractor of the Awardee, has been debarred by any state or federal agency, excluded from participation in a program

under Titles XVIII, XIX, or XXI of the Social Security Act, or subjected to a civil money penalty under the Social Security Act.

During the term of this Contract, the Awardee shall not have any interest that conflicts with the performance of services under the Contract for the duration of the Contract, as determined by HPC.

### **Compliance with Laws**

The Awardee is responsible for compliance with all applicable statutes, orders, and regulations promulgated by any federal, state, municipal, or other governmental authority relating to its property or its operations under the terms of this Contract. No statements made or implied in this RFP HPC-CHART-002 and related documents including without limitation Applicant's response(s) thereto, HPC's award of Funds, resulting Contract, or Contract implementation shall be construed as a waiver, exemption or determination of compliance by Awardee with any such applicable statutes, orders, and regulations.

### **Amendments**

No amendment to this Contract shall be effective unless it is signed by authorized representatives of the Awardee and HPC. All amendments are subject to availability of funding, applicable law and regulations, and mutual agreement. The parties agree to negotiate in good faith to cure any omissions, ambiguities, or manifest errors herein.

### **Assignment**

The Awardee shall not assign or transfer any right, interest, or obligation under this Contract to any successor entity or other entity without the prior written consent of HPC.

### **Independent Contractor**

The Awardee, its employees, and any other of its agents in the performance of this Contract, shall act in an independent capacity and not as officers or employees of HPC or the Commonwealth of Massachusetts.

### **Subcontracts**

Prior approval of the HPC is required for any subcontracted service under the Contract. Awardees are responsible for the satisfactory performance and adequate oversight of its subcontractors. Awardees are responsible for determining whether any proposed subcontractor is a party to any other Contract(s) or subcontract(s) with Commonwealth Agencies or funded with State Funds, and shall provide that information to the HPC for consideration in the review and approval of subcontracts.

### **Counterparts**

This Contract may be executed simultaneously in two or more counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

### **Section Headings**

The headings of the sections of this Contract are for convenience only and will not affect the construction hereof.

### **Waiver**

The acceptance of, or payment for, services rendered by the Awardee shall not be construed to waive any requirements of this Contract, or any of HPC's remedies for failure to fulfill these requirements.